PUBLIC INTEREST COMMISSION BRIEF

OF THE

PUBLIC SERVICE ALLIANCE OF CANADA

IN THE MATTER OF THE FEDERAL PUBLIC SECTOR LABOUR RELATIONS ACT AND A DISPUTE AFFECTING THE PUBLIC SERVICE ALLIANCE OF CANADA AND CANADA REVENUE AGENCY

Chairperson
Lorne Slotnick

Representative of the interests of the Employees
Joe Herbert

Representative of the interests of the Employer
Anthony Boettger

January 6, 2020
January 20, 2020

TABLE OF CONTENTS

PART 1
INTRODUCTION

THE BARGAINING UNIT

Workers in the PSAC bargaining unit at CRA collect taxes and deliver social and economic benefits on behalf of the federal government. In addition to taxation services, PSAC members at CRA conduct audits for large and small businesses and develop and maintain state of the art technology. The work performed by PSAC members at CRA is critically important work that touches the lives of virtually every Canadian. Indeed, the CRA on its website has stated that

> The CRA is recognized as managing one of the best tax administrations in the world – and much of our success is a reflection of our dedicated and talented staff. We are an organization that takes great pride in having a diverse workforce with wide-ranging skill sets.
> (http://www.cra-arc.gc.ca/crrs/wrkng/menu-eng.html)

In order to fulfill this important mandate, the Canada Revenue Agency employs approximately thirty thousand PSAC-represented workers in a large number of different job titles. These Categories are:

Job Title	Count	% of Bargaining Unit
Accounting and Related Clerks	2106	6.91%
Administrative Clerks	756	2.48%
Administrative Officers	1711	5.61%
Collectors	296	0.97%
Computer and Network Operators and Web Technicians	13	0.04%
Correspondence, Publication & Related Clerks	2	0.01%
Customer Service, Information & Related Clerks	191	0.63%
Data Entry Clerks	836	2.74%
Drafting & Design Technologists & Technicians	6	0.02%
Economic Development & Marketing Researchers & Consultants	8	0.03%
Electrical & Electronics Engineering Technologists & Technicians	3	0.01%

Job Title	Count	% of Bargaining Unit
Electronic Serv. Technicians (Household & Business Equipment)	2	0.01%
Executive - no associated NOC Code	3	0.01%
Executive Assistants	14	0.05%
Facility Operation and Maintenance Managers	6	0.02%
Financial Auditors and Accountants	1	0.00%
Financial Managers	7	0.02%
General Office Clerks	2306	7.56%
Govt.Mgrs. in Economic Analysis, Policy Devel. & Prog. Adm.	552	1.81%
Govt.Mgrs. in Education Policy Development & Prog. Administration	1	0.00%
Govt.Mgrs/Health & Social Policy Devel. & Prog. Administration	1	0.00%
Graphic Designers & Illustrating Artists	4	0.01%
HRMT	2226	7.30%
Human Resources Managers	6	0.02%
Immigration, Unemployment Insurance & Revenue Officers	14062	46.12%
Info. Systems & Data Processing Managers	7	0.02%
Insurance, Real Estate & Financial Brokerage Mgrs.	1	0.00%
Mail, Postal and Related Clerks	627	2.06%
Mgrs. in Publishing, Motion Pictures, Broadcasting & Performing Arts	4	0.01%
E/A to the Chief Counsel	1	0.00%
Investigations Support Clerk	5	0.02%
Manager, Intranet Publishing Operations	2	0.01%
Team Leader, Intranet Publishing Operations	3	0.01%
Web Resource Officer	3	0.01%
Other Administrative Services Managers	180	0.59%
Other Managers in Public Administration	1	0.00%
Payroll Clerks	147	0.48%
Personnel and Recruitment Officers	21	0.07%
Personnel Clerks	109	0.36%
Prof. Occupations Business Services to Managements	8	0.03%
Professional Occ.-Public Relations & Communications	99	0.32%
Property Administrators	6	0.02%
Purchasing Agents and Officers	53	0.17%
Purchasing and Inventory Clerks	230	0.75%
Purchasing Managers	27	0.09%

Job Title	Count	% of Bargaining Unit
Records and File Clerks	47	0.15%
Residential & Commercial Installers & Servicers	9	0.03%
Sales, Marketing & Advertising Managers	6	0.02%
SAPP (Special Assignment Pay Plan)	7	0.02%
Security Guards and Related Occupations	24	0.08%
Shippers and Receivers	35	0.11%
Social Policy Researchers, Consultants & Prog. Officers	1953	6.40%
Specialists in Human Resources	19	0.06%
Supervisors Library, Correspondence & Related Info. Clerks	1	0.00%
Supervisors, Finance & Insurance Clerks	796	2.61%
Supervisors, General Office & Admin. Supp. Clerks	924	3.03%
Supervisors, Mail and Message Distribution Occupations	1	0.00%
Supervisors, Recording, Distributing & Scheduling Occupations	5	0.02%
Telecommunication Carriers Mgrs.	13	0.04%
Total	**30493**	

The bargaining unit is predominantly female, as 67% percent of the workforce are women. With few exceptions, the makeup of the bargaining unit is also what is generally considered ‘white collar’, as the vast majority of employees work in an office setting. While shift work as described under the parties’ collective agreement is rare, it is common for bargaining unit employees to be assigned evening work during certain periods of the year.

A large minority of bargaining unit employees are ‘term’ employees. Based on data provided by the Agency in bargaining, approximately 26% of bargaining unit employees are determinate employees. With the possible exception of the Interviewers at Statistical Survey Operations, the Union knows of no other federal public service employer with such a high number of employees working under a precarious employment regime. In the 2010 round of bargaining the parties negotiated a new policy providing improved rights for term workers, including a mechanism for achieving permanent status. The Agency has since

suspended the policy. Term use has been a serious matter of contention between the parties, both at the bargaining table and elsewhere.

The Canada Customs Revenue Agency (CCRA) was created as a separate agency in November of 1999. The bargaining unit was ultimately certified in 2001, with a significant modification to the structure of the bargaining unit taking place in 2004 (namely the removal of customs and immigration employees with the creation of Canada Border Services Agency). Prior to 2001 workers in the bargaining unit were employed by Treasury Board and were consequently covered by PSAC-Treasury Board collective agreements. The first CCRA-PSAC collective agreement was reached in 2002.

The following round of bargaining in 2003-2004 proved tumultuous, with the parties reaching impasse and undergoing conciliation, culminating in the PSAC's staging of rotating strikes and ultimately a general strike.

The post-2004 era saw improved labour relations between the parties. In both the 2007 and 2010 rounds of bargaining the parties reached agreements that were bargained in expedited sessions and arrived at prior to the expiration date of the previous contract. These agreements were reached without concessions on the part of the Union and served to reinforce a far more productive and harmonious labour relations regime at the CRA.

Minutes from the first national union-management meeting post the parties signing of the 2007 settlement capture the cooperative sentiment that coloured labour relations during the 2006-2012 era:

> The approach taken during bargaining sessions illustrated the Union-Management Initiative (UMI) at its best. The National President stated that UTE had been more actively involved in joint Union-Management bulletins, communiqués and training throughout the year, which further confirmed the good rapport between the Agency and the Union. While there would continue to be times when Management and the Union would agree to disagree on certain

> issues, this tentative collective agreement served as an example to the rest of the Public Service of the solid working relationship between the Union and Management.
>
> The Commissioner also expressed his appreciation to both negotiating teams for reaching a tentative collective agreement in record time. The effort put forth at the bargaining table demonstrated the progress that can be achieved when both parties shared the common goal of resolving issues. He emphasized the importance for Union and Management to join together at every level of the organization to promote an environment of cooperation and trust. (Exhibit A1)

Minutes from the December 2011 national union-management meeting – conducted many months after the 2010 settlement was reached - also clearly demonstrate a constructive labour-management relationship at CRA:

> The Commissioner was pleased to note that the good working relationship between the CRA and UTE had been maintained. He reassured the Union that the Agency continued to be committed to keeping UTE engaged now more than ever given the upcoming challenges. He also stressed the importance of UTE and the CRA maximizing the Agency's status and working together on strategies so that the workforce would continue to excel, be innovative, and enhance productivity.
>
> The National President appreciated the Commissioner's comments and stated that he believed in the National Union-Management Consultation Committee (NUMCC) process and was pleased to continue the good relationship with the Agency. (Exhibit A2)

This spirit of goodwill came to an end in 2012. For the first time since the Agency was created, the employer in the 2012 round sought a significant concession from the employees in that it is proposed to halt the accumulation of severance for the purposes of voluntary termination. Also, in 2012 the federal government introduced and passed legislation that effectively removed the CRA's ability to negotiate and arrive at an agreement without Treasury Board consent. Both of these issues had a dramatic impact

on labour relations at CRA, to the point where no National Union Management Committee meetings took place between 2012 and 2017.

The previous round of bargaining saw the Union declare impasse, the employer taking the unusual step of seeking to obtain an opinion from the Public Interest Commission on the jurisdiction of matters *withdrawn from the process by the Union*, Unfair Labour Practice complaints filed by the Union, a membership rejection of an offer made by the employer, a membership vote to provide the bargaining team with a strike mandate and ultimately, after four years, a settlement. A critical issue for the Union and its membership was the employer's proposal that the Union agree to a 'me-too' clause linking CRA negotiations to the outcome of Treasury Board negotiations. This was rejected by the Union's membership and was never agreed upon by the parties in the final settlement. The parties agreed upon a re-opener clause for 2014-2015 and binding conciliation if no agreement was reached. No agreement was reached and a conciliation board issued a decision.

LIST OF TEAM MEMBERS

For the reference of the Public Interest Commission, the PSAC Bargaining Team is:

Morgan Gay (Negotiator – PSAC)
Pierre-Samuel Proulx (Senior Research Officer – PSAC)
Adam Jackson (Kingston, ON)
Jamie Van Sydenborgh (Hamilton, ON)
Brian Oldford (Halifax, NS)
Michelle Neill (Charlottetown, PEI)
Eddie Aristil (Montreal, QC)
Cosimo Crupi (Thunder Bay, ON)
Gary Esslinger (Winnipeg, MB)
Greg Krokosh (Lethbridge, AB)
Shane O'Brien (Technical Advisor - Union of Taxation Employees)

Appearing for the PSAC are:

Morgan Gay, Negotiator, PSAC
Pierre-Samuel Proulx, Senior Research Officer, PSAC

PART 2
OUTSTANDING ISSUES

Current Round of Negotiations

The current round of negotiations has in some ways proven to be somewhat of a continuation of the previous round of bargaining, in that critical issues such as scheduling of hours of work and term employment were not ultimately resolved.

In terms of the collective bargaining process itself, the Union's goal in this round has been to negotiate fair and reasonable improvements to working conditions in an effort to either address problems that are on-going in the workplace, or to protect practices that have been long-standing at CRA.

There are a number of areas where the CRA lags behind employers in the broader public and private sectors. For example, seniority rights and explicit protections against the contracting out of bargaining unit work are commonplace in collective agreements in every sector and industry across Canada. The same is also true with respect to language ensuring fair and transparent staffing processes. None of these are present in this collective agreement, in some cases because of legislative collective bargaining prohibitions in the federal public service, prohibitions whose constitutionality could be called questionable at best.
Nevertheless, the Union has made proposals in these areas in an effort to fix problems and provide enhanced protections for union members and for the services that those members provide Canadians. With few exceptions, these proposals reflect what has already been established elsewhere in the federal public sector.

Negotiations commenced in the spring of 2017. Between May of 2017 and January of 2019, the parties met in nine separate bargaining sessions, each session lasting a minimum of three days. In January 2019 the Union declared impasse and submitted an application for the establishment of a Public Interest Commission. The PSLREB rejected the application and instead directed the parties to attempt mediation.

The parties met in mediation sessions in both April and May of 2019. While some progress was made in mediation during the April session, the May sessions ended without the parties achieving an agreement as critical issues related to hours of work, leave, call centres and other matters remained in dispute. The employer also refused to table a counter proposal to the Union's wage position and took the unprecedented step of issuing an ultimatum, saying that it would not respond to the Union on wages until such time as the Union took what the employer considered to be a more 'reasonable' position on non-economic matters. The Union again declared impasse.

The employer again attempted to convince the PSLREB not to grant the Union's request. Despite the employers' efforts, the PSLREB proceeded with the establishment of a Public Interest Commission. (Exhibit A3)

To date, despite the Union having tabled a wage position over a year ago, the employer has yet to respond.

A number of operational changes that occurred during the course of negotiations also served to exacerbate negotiations. For example, despite the fact that the Union indicated that evening work and shift work were a problem, the employer continued to attempt to introduce such changes on a regular basis. The Union repeatedly raised issues related to call centres. The employer proceeded to implement a new evaluation tool in call centres that the Union opposes.

In terms of the Union's proposals in negotiations and submitted to the Public Interest Commission, the Union will be clearly demonstrating that its proposals are both fair and reasonable, and that they are entirely consistent with both private and public sector norms. Again, because of the excessive prohibitions contained in the PSLRA with respect to the jurisdiction of a Public Interest Commission, the Union is not seeking a

recommendation from the PIC on its proposals concerning term employment and Workforce Adjustment Policy.

In this brief we provide a thorough justification for reasonable proposals in the areas of compensation and working conditions. Part 2 of the brief covers the proposals related to working conditions which the PSAC is asking that the Commission include in its recommendation. Part 3 elaborates our compensation proposals, while Part 4 provides a summary.

ARTICLE 2
INTERPRETATION AND DEFINITIONS

Amend as follows:

2.01

“continuous employment” has the same meaning as specified in the Employer’s ~~Terms and Conditions of Employment Policy~~ **Directive on the Terms and Conditions of Employment** on the date of signing of this Agreement(emploi continu),

"family" except where otherwise specified in this Agreement, means father, **stepfather**, mother, **stepmother**, (~~or alternatively stepfather, stepmother,~~ or foster parent), brother, **stepbrother**, sister, **stepfathe**r, spouse/**partner** (including common-law partner spouse ~~resident with the employee~~), **fiancé or fiancée**, child (including child of common-law partner or foster child, **miscarried child or still-born child**), **stepchild** or ward of the employee **or person over whom the employee has legal guardianship**, grandchild, father-in-law, mother-in-law, **son-in-law, daughter-in-law, brother-in-law, sister-in-law**, grandparents, **aunt, uncle, niece, nephew**, and relative permanently residing in the employee's household or with whom the employee permanently resides (famille),

RATIONALE

The Union’s proposals for Article 2 cover definitions that are key to a number of Articles for the parties’ collective agreement.

First, the Union is proposing to amend the definition of family to include brother-in-law, sister-in-law as well as aunt, uncle, niece and nephew is meant to not only create a definition of family that is better reflective of the diverse ways in which individuals assign importance to various familial relationships, but to also give the Collective Agreement greater internal consistency.

The current language of the Collective Agreement recognizes a number of familial relationships that are created through an employee’s spouse. Specifically, the spouse of an employee’s child (son-in-law and daughter-in-law) and the employee’s spouse’s

parents (mother-in-law and father-in-law) are granted recognition through the current language in Article 2. Brother-in-law and sister-in-law are the final in-law equivalent of the immediate family that are left unrecognized in the Collective Agreement.

Furthermore, the continued exclusion of aunt, uncle, niece, nephew from the definition of family in Article 2 has tangible effect on employees as it denies them access to certain rights that are available to them for other familial relationships. Specifically, this excludes employees from accessing leave without pay for care of the family for an aunt, uncle, niece, nephew. This exclusion also limits their access to bereavement leave without loss of pay to one day, as opposed to the seven days available to mourn the loss of a family member as define in Article 2.

This arbitrary unfair distinction may cause undue hardship on the members of the bargaining unit. The Employer has offered no rationale of these discrepancies, and the Union respectfully requests that its proposal for Article 2 be included in the Commission's recommendations.

Second, the Union is proposing to include a definition of 'service' in Article 2.

The language being proposed by the Union is largely consistent with what is contained in the parties' current collective agreement. It is a modified version of the service accrual definition contained in Article 34 Vacation Leave With Pay. Under the Union's proposals for this round of negotiations, the service accrual definition in 34.03 is applied not only with respect to vacation accrual, but also years of service accrual for the purposes of vacation leave selection, scheduling and layoff and recall rights. Consequently, the Union is proposing to include the definition of 'service' in the definition section of the collective agreement as years of service accrual would be applied in more than one section of the parties' agreement. Ensuring there is a clear definition of a concept that is applied in more than one article in the parties' agreement is in the interest of both parties and has been a

standard practice in all of the parties' previous agreements; indeed a "Definitions" article has existed in every collective agreement signed between the parties since a bargaining relationship was first established well over twenty years ago.

The proposed language is modified from the current definition of service contained in 34.03 in such a way as to take into account recent changes that have taken place elsewhere in the Public Service. However, the net effect is the same, in that the same criteria are applied with respect to the relationship between an employee's employment status and service accrual.

The Union submits that it would not make sense to have the definition of service accrual exist exclusively in the Vacation Leave With Pay article of the parties' Agreement when years of service is also applied elsewhere. The Union therefore respectfully requests that its proposals be incorporated into the Commission's recommendation.

ARTICLE 9
RECOGNITION

9.02

No person shall perform duties regularly performed by employees in the bargaining unit, except to the extent agreed upon by the parties.

RATIONALE

The language proposed by the Union supports the protection of the integrity of the public service. The CRA makes yearly statements of congratulation to and acknowledgement of its employees, including this one from the CRA Commissioner in the 2019-2020 Corporate Business Plan:

> *"We will create a diverse and inclusive workspace that attracts people who share our commitment to service excellence. We will continue to invest in our employees by promoting well-being, supporting mental health, assuring a healthy and respectful workplace, and minimizing pay and compensation issues. The CRA is also committed to constructive and meaningful consultation and dialogue at the national, regional and local levels with all federal public service unions that serve our employees." (*Exhibit B1*).*

Therefore, it should not surprise the Employer that the Union has proposed language that supports the ongoing success of the CRA, for generations to come. The proposed language introduces a de facto "consultation process" for an agreement on any ongoing and new contracting out initiatives that the Employer may be contemplating. This was echoed in the Union's submission to 2019 Pre-Budget Consultations in the recommendations around Precarious Work and on Public-Private Partnerships (P3s) (Exhibit B2). Securing protections and a framework for discussion within the Collective Agreement respects the continued valuable contributions of public service workers. Similar collective agreement language currently exists elsewhere in the core public service; Article 30: Contracting Out, in the CS agreement between PIPSC and the Treasury Board Secretariat, contains language that our proposal builds upon. (Exhibit B3)

A comprehensive, well trained and secure workforce is crucial to the ability of the CRA to fully accountable. Relying on contracted-out services rather than the professionalism, expertise and dedication of bargaining unit members does a disservice to the workers, the public service as a whole, the public and to protecting client information, as was touched on by the CRA Business Plan[1]

> "The trust Canadians place in the CRA to safeguard the privacy of their personal information, as well as the personal information of over 40,000 employees, is a cornerstone of the CRA's work"

Inclusion of such contract language also supports a public service created via a legislative framework, one that ensures appointment by merit and that the composition of the public service is an accurate reflection of the diversity of the people that it serves, throughout the various geographic regions. It also fosters meaningful consultation between the Employer and the Union, and values investments made in training and upgrades necessary for workers to succeed within the changing nature of their work environment.

For too long, successive governments have relied heavily upon contracting out the duties performed by past and now current public service workers. In March 2011, a CCPA published a paper, The Shadow Public Service: the swelling ranks of federal government outsourced workers, in which it observed;

> "A handful of outsourcing firms have become parallel HR departments for particular federal government departments. Once a department picks its outsourcing firm, a very exclusive relationship develops. These private companies now receive so much in contracts every year that they have become de-facto wings of government departments. These new "black-box" wings are insulated from government hiring rules. They are also immune from government information requests through processes like Access to Information and Privacy (ATIP).

[1] https://www.canada.ca/en/revenue-agency/corporate/about-canada-revenue-agency-cra/summary-corporate-business-plan/summary-2019-22.html#tc1

> In essence, they have become a shadow public service without having to meet the same transparency standards of the actual public service. Evidence suggests the federal government is turning to personnel outsourcing, circumventing hiring rules by relying on pre-existing "standing offers" with outsourcing companies. As a result, outsourced contractors are no longer short-term or specialized — they are increasingly employed for years on a single contract.
>
> In short, the growing and concentrated nature of outsourcing has created a shadow public service that works alongside the real public service — but without the same hiring practices or pay requirements" [2]

And leading up to that CCPA report, the Public Service Commission of Canada conducted a study[3] on the use of temporary services in the federal public service organizations and concluded that the use of temporary services a source of recruitment limits access and that uses of temporary help services that circumvent the Public Service Employment Act.

> "The study findings indicate that, in practice, temporary help services provide a source of recruitment into the public service. The use of temporary help services as a source of recruitment places the PSEA value of access at risk and limits the use of the national area of selection to promote Canada's geographical diversity within the public service."

The language being proposed by the Union would address a number of problems that have arisen in the past and in some cases are ongoing. With respect to contracting out, the CRA in 2012 contracted out the CRA records storage service. The Union raised a number of concerns at the time, including privacy issues and the potential impact that eliminating this service would have on its membership. (Exhibit B4) The service remains contracted out.

Another critical matter that the proposed language would address is that of student employment at the CRA. While the Union is not entirely opposed to student employment,

[2] The Shadow Public Service: the swelling of the ranks of federal government outsourced workers, David Macdonald, Canadian Centre for Policy Alternative (CCPA), March 2011 https://www.policyalternatives.ca/publications/reports/shadow-public-service

[3] Use of Temporary Help Services in Public Service Organization: A study by the Public Service Commission of Canada, October 2010 http://publications.gc.ca/collections/collection_2010/cfp-psc/SC3-152-2010-eng.pdf

the Union has been raising concerns for years with the Agency about the fact that the CRA student program is often not being used as a program for students to gain experience and job skills, but rather as a cheap labour force that undermines the bargaining unit. Just last year alone there were over two-thousand students working at the CRA. (Exhibit.B5) What's more, the CRA Student Policy provides the employer far more flexibility than does the Treasury Board Student Work Employment Policy. (Exhibit B6) For example, the Treasury Board policy clearly states that:

> "students are not to be regarded as lower-cost to alternatives to regular employees". The CRA policy contains nothing comparable. The proposal being made by the Union for Article 9 would rectify this long-standing issue between the parties and provide the Union the ability to ensure that bargaining unit work is not undermined, and that students are not exploited."

Also concerning bargaining unit work, the Union has raised issues in the past with the Agency with respect to the assigning of bargaining unit duties to non-bargaining unit personnel. For example, in 2016 the Union filed a policy grievance over PSAC bargaining unit work being assigned to members of the PIPSC bargaining unit. In the end the issue was resolved with a Memorandum of Understanding between the parties, however the language being proposed here would ensure that these sorts of issues do not arise again. (Exhibit B7)

A strong public service also helps strengthen the economy. A new study suggests that hiring more federal public sector workers would benefit the Canadian economy and support a strong, diverse middle class.[4] The Union values that and asserts that the contract language being sought supports such goals.

[4] IRIS, The Public Services: an important driver of Canada's Economy, Sept 2019 https://cdn.iris-recherche.qc.ca/uploads/publication/file/Public_Service_WEB.pdf

Public service workers are dedicated to their workplace and to the work that they do in support of the public. They are equipped with intimate institutional knowledge of the work environment; valuable to both the smooth operation of existing programs and to the successful cultivation of new ideas. Securing contract agreement language that recognizes and respects that is next in nurturing our continued ranking as the best public service in the world.

Considering these facts, the Union respectfully requests that its proposal for the inclusion of a new language in Article 9 be included in the Commission's award.

ARTICLE 12
USE OF EMPLOYER FACILITIES

12.03 A duly accredited representative of the Alliance may be permitted access to the Employer's premises to assist in the resolution of a complaint or grievance and to attend meetings called by management **and/or meetings with Alliance-represented employees.** Permission to enter the premises shall, in each case, be obtained from the Employer. **Such permission shall not be unreasonably withheld.**

RATIONALE

The Union is proposing two modifications to the current Article 12.03 for inter-related reasons:

- First, the language contained in the current Collective Agreement has in the past been interpreted and used by the Employer to infringe upon the Union's rights under the PSLREA, namely via denying Union representatives access to worksites to speak with members of the Union.

- Second, to achieve parity with what Treasury Board has already agreed to for its employees in other bargaining units such as: CBSA (FB Group), CX and OSFI.

The CRA has been entirely inconsistent in its application of Union access to the workplace. In some cases, Union representatives have been given access but only under what effectively amounts 'employer escort', interfering with what should be considered protected activity under the *Act*. In other cases, the employer has demanded to know the content of meeting the Union wished to have with its members before determining whether or not access was to be allowed. In a number of these cases grievances were filed, or in others senior management intervened. (Exhibit B8)

Concerning incidents where access to employer facilities was denied in the core public service, the Union has responded by filing a number of complaints with the PSLREB. In this regard, the Board issued a decision in 2016 where a PSAC representative was denied access to Veterans Affairs and Health Canada workplaces:

> *I declare that the refusal to allow a complainant representative to conduct a walkthrough of the Veterans Affairs Billings Bridge facility on November 5, 2014, to conduct a walkthrough and an on-site meeting during off-duty hours at Health Canada's Guy Favreau Complex on November 25, 2014, and to conduct a walkthrough and an on-site meeting during off-duty hours at DND facilities on December 11, 2014, and January 6, 2015, all constituted violations of s. 186(1)(a) of the Act by the respondent and by the departments involved. (PSLREB 561-02-739) (*Exhibit B9*)*

In a similar case where a Union representative was denied the access to a CBSA workplace by the Employer, the Board issued a decision in May of 2013, stating that Treasury Board had violated the Act in denying the Union access to its members in CBSA workplaces:

> *Denying (Union representative) Mr. Gay access to CBSA premises on October 13 and 29, 2009 for the purpose of meeting with employees in the bargaining unit during non-working periods to discuss collective bargaining issues, violated paragraph 186(1) (a) of the Act and were taken without due regard to section 5 and to the purposes of the Act that are expressly stated in its preamble. (PSLRB 561-02-498)* (Exhibit B10)

The Board also ordered Treasury Board and the CBSA in that same decision to: *"…cease denying such access in the absence of compelling and justifiable business reasons that such access might undermine their legitimate workplace interests*." *(PSLRB 561-02-498)* (Exhibit B11)

In light of the current language contained in Article 12.03 of the parties' Agreement; and in light of the decisions rendered by the Board on this matter, the Union submits that the current language is inconsistent with the rights afforded Union representatives under the PSLREA. It places restrictions on the Union that the Board has found to be incompatible with the Act; hence the Union's proposal to amend the language to ensure that the Union's rights are upheld.

As mentioned, the second reason as to why the Union has proposed to modify Article 12.03 is to achieve parity with what Treasury Board has agreed to for its employees at CBSA (FB Group), Corrections Canada and OSFI (Exhibit B12). The CBSA (FB Group) contract already has the exact same language that the Union has proposed to CRA for this bargaining unit. The CX Collective Agreement, which covers CX's who work in federal prisons and other penal institutions, makes no reference to the need for Union representatives requiring permission from the Employer to enter the worksite. These workers perform their duties in contained, high-security environments where danger is present, and yet the Employer has agreed to language that ensures Union representatives access to the workplace for the purposes of meeting with members. In general, the three agreements cited above provide Union representatives access to the workplace for meetings with union membership, which is also consistent with what PSAC has proposed in these negotiations.

Based on the cited examples, the Union submits that there is no reason why employees at CRA should be denied rights that have been agreed to by the Government of Canada other groups of workers. The Union is also looking for language that would ensure that the Employer cannot interfere with the Union's right to communicate with its membership on non-work time. There have been instances in the past when this problem has arisen, including an Unfair Labour Practice complaint filed by the Union that was recently allowed by the PSLREB. (Exhibit B13) Including this language in the Collective Agreement would ensure that the Union's statutory rights in the workplace would not be interfered with.

Given that the Board has clearly indicated that the law provides Union representatives with rights that extend beyond what is contained in the current Article 12.03, and given that what the Union is proposing is virtually identical to what the Treasury Board has agreed to for other workers in its employ, and given the Union's statutory right to communicate with its membership, the Union therefore respectfully requests that its proposals be incorporated into the Commission's recommendation.

ARTICLE 13
EMPLOYEE REPRESENTATIVES

13.05 ~~The Alliance shall have the opportunity to have an employee representative introduced to new employees as part of the Employer's formal orientation programs, where they exist.~~ **The employer shall grant reasonable leave with pay to Alliance representatives and new employees for the purposes of delivering a union orientation**.

RATIONALE

The Union's proposal for Article 13.05 is designed to address the Employer's interference in the statutory right of Union to properly represent its members under PSLREA. The language contained in the current Collective Agreement has in the past been interpreted and used by the Employer to deny, not to respond to, restrict or delay permission for time off requested by stewards for union orientation.

The Union maintains that, to the extent that there exist practices at the CRA that purport to limit that right of representation, or the participation of employees in the Union's lawful activities, the Union is compelled to seek declaratory contract language. The law is clear that the Employer does not have the prerogative or the right to interfere with the representation of employees by an employee organization. Subsection 5 of the *Act* clearly sets out an employee's rights with respect to Union activities:

> *5 Every employee is free to join the employee organization of his or her choice and to participate in its lawful activities.*

The prohibitions on management in this regard are clear under subsection 186(1) of the *Act* and reflect the right of a bargaining agent to fully represent employees without interference from management:

> *186. (1) No employer, and, whether or not they are acting on the employer's behalf, no person who occupies a managerial or confidential position and no*

person who is an officer as defined in subsection 2(1) of the Royal Canadian Mounted Police Act or who occupies a position held by such an officer, shall

(a) participate in or interfere with the formation or administration of an employee organization or the representation of employees by an employee organization; or

(b) discriminate against an employee organization.

The language, found in the parties' current Agreement is inconsistent with protections afforded the Union under the law, and consequently the Union asks that it be modified. The Union's proposal not only reaffirms the important principle of participation in the lawful activities of their Union, it signals to all employees in the bargaining unit - in a meaningful and concrete way - that the Employer will respect that participation. Accordingly, the Union is proposing the modifications to ensure that all parties have a clear understanding as to legal protections afforded the Union with respect to communication and representation of its membership.

What's more, the employer is inconsistent in its practice on this issue. In some locations managers simply introduces a Union representative to the employer's presentation without any time being given the Union representative to speak with members. In other cases, time is allotted for the Union representative to meet with new employees one on one. In some locations no time is afforded whatsoever. This inconsistency is to some extent encouraged by the current language in that it states "where they exist".

The Union submits that it is in the interests of both parties for employees acting as Alliance representatives to be afforded leave with pay when such employees are delivering a union orientation. What's more, PSAC members at the House of Commons already benefit from provisions that do not require Union representatives to obtain permission to leave their work in order to carry functions as a Representative on the Employer's premises. Rather than representatives seeking permission, the language awarded to PSAC by PSLREB arbitral decision (PSAC vs. House of Commons, 2016 PSLRB 120) states that "*the*

Employer shall grant time off" (Exhibit B14). Thus the Union respectfully requests that its proposal be included in the Board's award.

ARTICLE 14
LEAVE WITH OR WITHOUT PAY FOR ALLIANCE BUSINESS

~~Representatives'~~ Training Courses

14.13

(a) When operational requirements permit, The Employer will shall grant leave without pay to employees who exercise the authority of a representative on behalf of the Alliance to undertake training related to the duties of a representative. Such leave shall not be unreasonably withheld.

(b) When operational requirements permit, the employer shall grant leave without pay, upon request, to employees to undertake training provided by the Alliance. Such leave shall not be unreasonably withheld.

No Interruption of Pay

14.14 Leave without pay granted to an employee under this Article, with the exception of article 14.16 below, will be with pay; the Alliance will reimburse the Employer for the salary and benefit costs of the employee during the period of approved leave with pay according to the terms established by the joint agreement.

14.15 Upon request of an employee the employer shall grant leave without pay for Alliance business for the employee to accept an assignment with the Alliance.

Leave without pay for election to an Alliance office

14.16 The Employer will grant leave without pay to an employee who is elected as a full-time official of the Alliance within one (1) month after notice is given to the Employer of such election. The duration of such leave shall be for the period the employee holds such office.

NEW

14.17 Leave without pay, recoverable by the Employer, shall be granted for any other union business validated by the Alliance with an event letter.

RATIONALE

There have been a number of issues raised with the Agency with respect to employees being granted leave for Union business. The Union's proposals for Article 14 are intended to rectify these issues.

With respect to 14.13, there have been instances when Union members have had difficulty getting leave to participate in various trainings provided by the Union. The Union's proposal for 14.13 a) would ensure that the employer does not unreasonably deny requests made for Union representatives to training related to their role as representatives. All too often the current language is used to deny employees, as managers cite 'operational requirements' without providing further justification. The Union's proposal would rectify this. Concerning 14.13 b), there have been instances where the Union has requested that employees not yet named as representatives be given the opportunity for training. Once such example is in the context of health and safety training. The employer on occasion has denied such opportunities by citing the fact that such training leave is only provided for 'representatives'. The Union's proposal would remedy this.

The Union submits that it is in both parties' interests to have properly-trained Union representatives in the workplace. The same is also often true of other training provided by the Union, including in such cases as health and safety.

Concerning the new language proposed in Article 14.14, leave without pay for union business was amended over the last round of bargaining in most PSAC public service agreements such that union members would continue to receive pay from the Employer, and the PSAC would be invoiced by the Employer with the cost of the period of leave. The intent is to replicate this practice at the CRA. Our proposal is to implement the same change in this collective agreement as it simplified the process for both the Union and other core public service employers, including the Treasury Board. (Exhibit B15)

Denying members the ability to participate in the life of their Union for legitimate activities is straining labour relations and has resulted in grievances. Adding the language suggested by the Union in 14.17 would allow members to continue to take union leave when validated by a letter and for which the PSAC will reimburse the Employer.

The language proposed in Article 14.16 is the same language that is found in the SV (14.14), TC (14.14) and FB (14.15) Collective Agreements (Exhibit B16). Members at the CRA should be allowed the same opportunity to take leave without pay when they are elected to full-time office within the Union as other PSAC members in other bargaining units.

This was the long-standing practice for many years at the CRA. However when the new President of the Union of Taxation Employees was elected, the employer elected not to provide the same guarantees as were provided in the past. This lack of commitment and change in practice has created considerable tension between the parties and indeed remains unresolved to this day. The same is also true with respect to other Union representatives elected to national office. Enshrining the long-standing practice in the parties' agreement would ensure that the problem is resolved and does not arise again.

The proposals being made by the Union for Article 14 would provide clarification in key areas and, in the case of reimbursement of the employer by the Union, would rectify a disparity that exists at the CRA in comparison to other core public service employers. Thus, the Union respectfully requests that its proposals for Article 14 be included in the panel's award.

ARTICLE 17
DISCIPLINE

17.01 When an employee is suspended from duty or terminated in accordance with paragraph 51(1)(f) of the Canada Revenue Agency Act, the Employer undertakes to notify the employee in writing of the reason for such suspension or termination. The Employer shall endeavour to give such notification at the time of suspension or termination.

17.02 ~~When an employee is required to attend a meeting, the purpose of which is to conduct a disciplinary hearing concerning him or her or to render a disciplinary decision concerning him or her, the employee is entitled to have, at his or her request, a representative of the Alliance attend the meeting.~~
An employee is entitled to have, at their request, a representative of the Alliance attend and participate in any meeting concerning their employment including, but not limited to, internal affairs or administrative investigations, or any meeting where the purpose is to conduct a hearing or render a decision concerning the employee. Where practicable, the employee shall receive a minimum of ~~one (1)~~ **two (2)** days' notice of such a meeting.

17.03 The Employer shall notify the local representative of the Alliance as soon as possible that such suspension or termination has occurred.

17.04 The Employer agrees not to introduce as evidence in a hearing relating to disciplinary action any document from the file of an employee the content of which the employee was not aware of at the time of filing or within a reasonable period thereafter.

17.05 Any document or written statement related to disciplinary action, which may have been placed on the personnel file of an employee, shall be destroyed after two (2) years have elapsed since the disciplinary action was taken, provided that no further disciplinary action has been recorded during this period.

17.xx Stoppage of pay and allowances will only be invoked in extreme circumstances when it would be inappropriate to pay an employee.

Each case will be dealt with on its own merits and will be considered when the employee is:

a) in jail awaiting trial,

or

b) clearly involved in the commission of an offence that contravenes a federal Act or the Code of Conduct, and significantly affects the proper performance of his/her duties. If the employee's involvement is not clear during the investigation, the decision shall be deferred pending completion of the preliminary hearing or trial in order to assess the testimony under oath.

17.xx Call monitoring is intended to improve performance by providing guidance and feedback to the employee and shall not be used for disciplinary purposes or performance management.

RATIONALE

At CRA there is a long-standing policy concerning Internal (IAFCD) Investigations. These investigations are recognized by the employees and the Union as being effectively a disciplinary process in the sense that it is an investigation to determine if there has been wrong-doing or misconduct on the part of employees.

IAFCD investigations have been a matter of contention the CRA has taken the position that they are administrative in nature, and not necessarily disciplinary, and therefore CRA's position is that employees subject to these investigations are not entitled to having Union representation in IAFCD investigation meetings. Instead employees may have an 'observer' who has no role in such meetings other than to observe. Indeed, the policy states that an interviewee can have a "third party" in an investigatory meeting which may be "a colleague, a team leader, a union representative, or a non-CRA individual such as a family member, and that the role of the third-party is to "provide moral support".(Exhibit B18)

The CBSA has in the past taken the same position under similar conditions, which was challenged by the Union. In 2016 a grievance was heard by Adjudicator Marie-Claire Perrault with respect to the termination of PSAC member Karen Grant. In the decision

rendered concerning Grant's termination (stemming from a process identical to IAFCD investigations) Adjudicator Perrault found that the process in this case – and the outcome of the process in particular – to be a "sham" and that actions taken by the CBSA that were purported by the employer to be administrative in nature were in fact "disguised disciplinary measures". The employee was subsequently re-instated, and the decision stood despite an application for judicial review by the employer. What's important to note is that the CBSA challenged the decision primarily on jurisdictional grounds, saying that the PSLREB did not have jurisdiction to render a decision on the matter because of its 'administrative' nature. The Board and the court clearly did not agree. (Exhibit B19)

Despite the precedent set by the Perrault decision in 2016, the CRA has not changed its practice concerning the application of Internal Investigations in CRA workplaces, as the employer continues to deny Union representation in IAFCD interviews.

The Union would also point out that the language being proposed by the Union for this issue has been agreed to by Treasury Board and the CBSA for the Union's FB collective agreement. The Union submits that the current practice at the CRA with respect to this matter is absurd, and that if the CBSA is able to operate under this language, the CRA can do the same.

Stoppage of Pay

Regarding the Union's proposal on the stoppage of pay and allowances, under the current language an employee may be placed on investigatory suspension without pay for as long as the employer deems appropriate. It stands to reason that an investigation is conducted in order to determine whether or not discipline is warranted. Thus, in essence the employer may impose economic punishment on an employee by placing said employee on investigatory suspension without pay when there is no proof to demonstrate that discipline is warranted (hence the investigation). The Union submits that this is patently

unfair and is inconsistent with fundamental principles of progressive discipline. What's more, there have been instances where employees have been placed on investigatory suspension without pay for lengthy periods of time – months in some cases – without having been found guilty of any offense.

This problem is endemic at CRA. It is standard procedure for employees to be put on investigatory suspension without pay. In some cases, employees have been suspended for weeks without pay despite there being no conclusive proof of wrongdoing. Over the years the Union has filed over a hundred grievances on the matter.

To address this problem, the Union is proposing that workers in this bargaining unit are afforded the protections concerning investigatory suspension as those in place for other workers within the federal public service. The exact same language as proposed by the Union is found in Appendix H of the Treasury Board collective agreement covering workers in the FB bargaining unit (Exhibit B20). Furthermore, Appendix G of the CX collective agreement states that:

> *When an employee is to be removed from his regular duties due to an incident involving an offender, the employee may be assigned other duties with pay or removed from his normal work site with pay pending the outcome of the disciplinary investigation provided he fully co-operate with the conduct of the investigation by attending interviews and hearings without undue delay. A refusal to attend interviews and hearings without undue delay shall result in the interruption of remuneration as long as the investigation has not been completed.* (Exhibit B21)

The modifying of the parties' collective agreement as per the Union's proposal for Article 17 would bring protections afforded workers at the CRA in line with those that are standard in the federal public service as well as introduce an element of fairness that is currently absent. It would also serve to address a long-standing issue between the parties.

Call monitoring

Concerning our proposal on call monitoring, a significant number of employees in this bargaining unit work in an environment where calls are constantly monitored. While there may be some legitimate health and safety reasons to engage in some forms of surveillance, the rights and dignity of employees need to be protected. It is the Union's position that the use of this surveillance for evaluation or disciplinary purposes is inappropriate and excessive.

The Union has raised concerns on many occasions concerning this matter and its impact on call centre working conditions. (Exhibits B39 & B40)

Very similar language as proposed by the Union is found in Article 58 of the Treasury Board collective agreement covering call centre employees in the PA bargaining unit (Exhibit B23). Similar language can also be found in collective agreements at Canada Post (Exhibit B24) Canada Post is very much an appropriate comparator for call centre workers at the CRA as the PSAC collective agreement with Canada Post covers a large population of call centre workers.(Exhibit B25)

Furthermore, arbitrators have been generally of the view that surveillance collected for one purpose ought to be restricted in its use to that purpose and an employer will ordinarily not be entitled to use surveillance evidence obtained for non-disciplinary purposes to discipline employees for misconduct. This is consistent with the rulings of Privacy Commissioners.[5]

[5] See, for example, Investigation Report P2005-IR-004 (R.J. Hoffman Holdings Ltd.), [2005] A.I.P.C.D. No. 49 (QL) (Denham), Lancaster's Human Rights and Workplace Privacy, August 17, 2005, alert No. 47, in which the Alberta Information and Privacy Commissioner ruled that video footage from cameras which were justifiable for the purpose of monitoring security, but were subsequently used to record (albeit inadvertently) an incident on which the employer sought to base the dismissal of an employee, violated employees' privacy rights insofar as the video footage exceeded the original purpose for which the cameras had been installed.

As a result, the Union is proposing that the language contained in the PA collective agreement be included in the collective agreement (Exhibit B26), and respectfully requests that the Commission include this language in its recommendations

ARTICLE 20
SEXUAL HARRASSMENT

Amend as follows:

Change title to: HARASSMENT AND ABUSE OF AUTHORITY

20.01 The Alliance and the Employer recognize the right of employees to work in an environment free from ~~sexual~~ harassment **and abuse of authority** and agree that ~~sexual~~ harassment **and abuse of authority** will not be tolerated in the workplace.

NEW

20.02 Definitions:

a) Harassment or violence includes any action, conduct or comment, including of a sexual nature, that can reasonably be expected to cause offence, humiliation, or other physical or psychological injury, or illness to an employee, including any prescribed action, conduct or comment.

b) Abuse of authority occurs when an individual uses the power and authority inherent in his/her position to endanger an employee's job, undermines the employee's ability to perform that job, threatens the economic livelihood of that employee or in any way interferes with or influence the career of the employee. It may include intimidation, threats, blackmail or coercion.

c) Work place violence constitutes any action, conduct, threat or gesture of a person towards an employee in their work place that can reasonably be expected to cause harm, injury or illness to that employee.

~~**20.02**~~ **20.03**

(a) Any level in the grievance procedure shall be waived if a person hearing the grievance is the subject of the complaint.

(b) If, by reason of paragraph (a), a level in the grievance procedure is waived, no other level shall be waived except by mutual agreement.

(c) **All complaints shall be resolved within 60 calendar days following the initial filing.**

~~20.03~~ 20.04

By mutual agreement, the parties may use a mediator in an attempt to settle a grievance dealing with ~~sexual~~ harassment. The selection of the mediator will be by mutual agreement **and such selection shall be made within thirty (30) calendar days of each party providing the other with a list of up to three (3) proposed mediators.**

~~20.04~~ 20.05

Upon request by the complainant(s) and/or respondent(s), an official copy of the investigation report shall be provided to them by the Employer, subject to the *Access to Information Act* and *Privacy Act*.

20.06

a) No Employee against whom an allegation of discrimination or harassment has been made shall be subject to any disciplinary measure before the completion of any investigation into the matter, but may be subject to other interim measures where necessary.

b) If at the conclusion of any investigation, an allegation of misconduct under this Article is found to be unwarranted, all records related to the allegation and investigation shall be removed from the employee's file.

RATIONALE

The concept of harassment as solely a sexual issue has been outdated for many years. With the passage of Bill C-65, *An Act to amend the Canada Labour Code (harassment and violence) the Parliamentary Employment and Staff Relations Act and the Budget Implementation Bill 2017*, it is time for the parties to update the language in the Collective Agreement to reflect the new legislation.

Bill C-65 has three main pillars. It requires the Employer to prevent incidents of harassment and violence; to respond effectively to those incidents when they do occur; and to support affected employees.

The amendments to Part II of the Canada Labour Code apply to all employers and workers in the federally regulated private sector as well as in the public service and Parliament.

The amended Act defines harassment and violence to mean "*any action, conduct or comment, including of a sexual nature, that can reasonably be expected to cause offence, humiliation or other physical or psychological injury or illness to an employee, including any prescribed action, conduct or comment*" (amended section 122(1)).

It sets out specific duties of employers, including the CRA, requiring them to take prescribed measures to prevent and protect, not only against workplace violence but also against workplace harassment. Employers are now also required to respond to occurrences of workplace harassment and violence, and to offer support to affected employees (amended section 125(1) (z.16)).42).

In addition, the Employer must investigate, record and report, not only all accidents, occupational illnesses and other hazardous occurrences known to them, but now also occurrences of harassment and violence, in accordance with the regulations (amended section 125(1)(c)).

These duties also apply in relation to former employees, if the occurrence of workplace harassment and violence becomes known to the Employer within three months of the employee ceasing employment. This timeline, however, may be extended by the Minister in the prescribed circumstances (new sections 125(4) and 125(5).

Employers are additionally required to ensure that all employees are trained in the prevention of workplace harassment and violence and to inform them of their rights and obligations in this regard (new section 125(1) (z.161)). Employers themselves must also undergo training in the prevention of workplace harassment and violence (new section 125(1) (z.162)).

Finally, the Employer must also ensure that the person designated to receive complaints related to workplace harassment and violence has the requisite knowledge, training and experience (new section 125(1) (z.163)).

The Collective Agreement is the guide to which employees turn to understand their rights in the workplace and their terms and conditions of work. It is also the guide that managers use to understand their responsibilities toward employees in the workplace. The Union submits that an obvious way to comply with the new requirement to inform employees of their rights and obligations with respect to harassment and violence is to plainly lay out these obligations in the Collective Agreement so that they are clear, unequivocal, and accessible to everyone in the workplace. Moreover, the Union believes that to not amend Article 20 of the Collective Agreement to reflect these changes to the Canada Labour Code, which considerably broaden the definition of harassment beyond what currently exists in the Article, could result in confusion with respect to behaviours that are not acceptable in the workplace.

The Union therefore respectfully requests that the Commission add the proposed amendments to this Article to its recommendations.

ARTICLE 24
TECHNOLOGICAL CHANGE

24.03

~~Both parties recognize the overall advantages of technological change and will, therefore, encourage and promote technological change in the Employer's operations.~~ Where technological change is to be implemented, the Employer will seek ways and means of minimizing adverse effects on employees which might result from such changes.

RATIONALE

The language as currently constituted in 24.03 is problematic in that it states that the Union must "encourage and promote technological change in the Employer's operations". The Union understands that the employer has the prerogative to make technological changes. However, the Union does not see why it should somehow be obligated to "encourage and promote" such change, even when it could be potentially harmful to the Union and its membership. Whether or not to promote and encourage technological change in the workplace should be up the Union based on what form such change takes. It should not be obligatory. The Union has an obligation to represent its membership and their interests. This language could potentially interfere with this legal obligation. This proposal is consistent with what was recently agreed to by Treasury Board in last round of bargaining with the FB group. (Exhibit B27). It is also consistent with recent PSLREB interest arbitration awards on the matter. (Exhibit B28)

In light of these facts, the Union cannot see any cogent reason for the Employer to reject its proposals. Yet it has. The Union is therefore respectfully request that the panel include the Union's proposals here in its recommendation.

ARTICLE 25
HOURS OF WORK

25.05 (a) The Employer will provide two (2) rest periods of fifteen (15) minutes each per ~~full~~ **each working day or major part thereof.** ~~except on occasions when operational requirements do not permit.~~

(b) **Employees in Call Centers who are required to staff the telephone lines are entitled to additional rest periods of 5 minutes per hour.**

25.07 (a) Employees shall be informed by written notice of their scheduled hours of work. Any changes to the scheduled hours shall be by written notice to the employee(s) concerned. The Employer will endeavour to provide seven (7) days notice for changes to the scheduled hours of work.

(b) When a term employee is required to report for work on a normal day of work and upon reporting is informed that he or she is no longer required to work their scheduled hours of work, the employee shall be paid a minimum of three (3) hours at their straight-time rate of pay, or the actual hours worked, whichever is greater.

This provision does not apply if the term employee is notified in advance not to report for work.

25.08 Flexible Hours

Subject to operational requirements, an employee on day work shall have the right to select and request flexible hours between ~~7~~ **6** a.m. and 6 p.m and such request shall not be unreasonably denied

25.09 Variable Hours

(a) Notwithstanding the provisions of clause 25.06, upon request of an employee ~~and the concurrence of the Employer~~, an employee may complete the weekly hours of employment in a period of other than five (5) full days provided that over a period of fourteen (14), twenty-one (21), or twenty-eight (28) calendar days, the employee works an average of thirty-seven decimal five (37.5) hours per week **and a maximum of 9.5 hours per day.**

(b) In every fourteen (14), twenty-one (21), or twenty-eight (28) day period, the employee shall be granted days of rest on such days as are not scheduled as a normal work day for the employee.

(c) Employees covered by this clause shall be subject to the variable hours of work provisions established in clauses 25.24 to 25.27.

25.11 Consultation

(a) Where hours of work, other than those provided in clause 25.06, are in existence when this Agreement is signed, the Employer, on request, will consult with the Alliance on such hours of work and in such consultation will establish that such hours are required to meet the needs of the public and/or the efficient operation of the service.

(b) Where hours of work are to be changed so that they are different from those specified in clause 25.06, the Employer, except in cases of emergency, will consult in advance with the Alliance on such hours of work and, in such consultation, will establish that such hours are required to meet the needs of the public and/or the efficient operation of the service. In no case shall the hours under clause 25.06 extend before 6:00 a.m. or beyond 9:00 p.m., or alter the Monday to Friday work week, or the seven and one-half (7 1/2) consecutive hours work day.

(c) Within five (5) days of notification of consultation served by either party, the parties shall notify one another in writing of the representative authorized to act on their behalf for consultation purposes. Consultation will be held at the local level for fact finding and implementation purposes.

(d) It is understood by the parties that this clause will not be applicable in respect of employees whose work week is less than thirty-seven and one-half (37 1/2) hours per week.

25.12

(a) An employee on day work whose hours of work are changed to extend before or beyond the stipulated hours of 7:00 a.m. and 6:00 p.m., as provided in clause 25.06(b), and who has not received at least seven (7) days' notice in advance of the starting time of such change, shall be paid for the first day or shift worked subsequent to such change at the rate of time and one-half (1 1/2) for the first seven hours and one-half (7 1/2) and double time thereafter. Subsequent days or shifts worked on the revised hours shall be paid for at straight-time, subject to Article 28, Overtime.

(b) **Late Hour Premium**

An employee who is not a shift worker and who completes his work day in accordance with the provisions of paragraph 25.11(b) shall receive a Late Hour Premium of seven dollars ($7) per hour for each hour worked before 7:00 a.m. and after 6:00 p.m. The Late Hour Premium shall not apply to overtime hours.

(c) **Where hours of work subject to late hour premium are to be worked, the Employer shall create a master schedule of a minimum of fifty-six (56) days covering the hours to be worked and the employees working the hours. Such schedules shall be posted a minimum of fourteen (14) days in advance.**

(d) **Prior to establishing a schedule consistent with (b) above, the Employer will canvass all employees in the work area for volunteers to work the hours.**

(e) Should more than one employee meeting the qualifications required volunteer to work the hours, years of service as defined in subparagraph 34.03(a)(i) will be used as the determining factor to assign the hours.

(f) In the event there are insufficient volunteers, the Employer shall engage in meaningful consultation with the Alliance with respect to the assignment of the hours, consistent with 25.11 b).

Shift Work

25.13 When, because of operational requirements, hours of work are scheduled for employees on a rotating or irregular basis, **or on a non-rotating basis where the employer requires employees to work hours later than 6 p.m. and/or earlier than 7 a.m.**, they shall be scheduled so that employees, over a period of not more than fifty-six (56) calendar days:

(a) on a weekly basis, work an average of thirty-seven decimal five (37.5) hours and an average of five (5) days;

(b) work seven decimal five (7.5) consecutive hours per day, exclusive of a one-half (1/2) hour meal period;

(c) obtain an average of two (2) days of rest per week;

(d) obtain at least two (2) consecutive days of rest at any one time except when days of rest are separated by a designated paid holiday which is not worked; the consecutive days of rest may be in separate calendar weeks.

25.17 Shift Schedule

(a) If the Employer reopens a shift schedule, or is a shift becomes vacant, the Employer will determine the qualifications required prior to canvassing all employees covered by this specific schedule.

Should more than one employee meeting the qualifications required select the same shift on the schedule, years of service as defined in subparagraph 34.03(a)(i) will be used as the determining factor to allocate the shift.

(b) When establishing a new schedule, the Employer will canvass all employees covered by the specific schedule for volunteers to fill all shifts.

Should more than one employee meet the qualifications required select the same shift, years of service as defined in subparagraph 34.03(a)(i) will be used as the determining factor to allocate the shift.

(c) Subject to paragraph (a) above, by mutual consent the parties may agree to conduct a re-bid of shifts at any point over the life of the schedule.

25.27 Specific Application of this Agreement

(e) **Designated Paid Holidays (clause 30.07)**

(i) A designated paid holiday shall account for seven decimal five (7.5) hours.

(ii) When an employee works on a Designated Paid Holiday, the employee shall be compensated, in addition to the pay for the hours specified in subparagraph (i), ~~at time and one-half (1 1/2) up to his or her regular scheduled hours worked and~~ at double (2) time for all hours worked. ~~in excess of his or her regular scheduled hours.~~

NEW

25.XX The Employer shall not introduce new shift work without mutual agreement between the Employer and the Alliance.

ARTICLE 60
PART TIME EMPLOYEES

The Union proposes to modify vacation accrual for part-time employees commensurate with the changes proposed for Article 34.

60.07 **a)** A part-time employee shall **have the option on an annual basis of either:**

i) being paid for designated holidays,

or

ii) not be paid for the designated holidays but shall, instead be paid four decimal two five percent (4.25%) for all straight-time hours worked.

b) **Employees shall make known to the Employer in writing their preference for each fiscal year no later than March 1st of the fiscal year prior. Should an employee not make their preference known by March 1st the employee shall be subject to ii) above.**

60.15

(a) The Employer will provide two (2) rest periods of fifteen (15) minutes each per full working day, as established in paragraph 25.06 (b)~~, except on occasions when operational requirements do not permit~~.

(b) Where the employee does not complete a full working day, as per 25.06 (b), the Employer will provide one (1) rest period of fifteen (15) minutes in every period of ~~four (4) hours~~ **three (3) hours worked** ~~except on occasions when operational requirements do not permit~~.

Notwithstanding clause 60.02, there shall be no prorating of the maximum of one-hundred and eighty-seven decimal five (187.5) hours in Article 52, Pre-Retirement Leave.

60.xx

Straight-time hours of work beyond those scheduled for full-time employees shall be offered in order of years of service as defined in subparagraph 34.03(a)(i) to qualified part-time employees.

RATIONALE

The Union's proposals concerning Article 25 and Article 60 are intended to fix problems in the workplace, provide for enhanced work-life balance and to ensure that protections that are common in the unionized public and private sectors are applied to workers at CRA.

For several years the issue of hours of work scheduling has been a contentious one between the parties. During the previous round of negotiations, the Union raised issues related to scheduling, primarily in the context of evening, weekend and part-time work. The primary reason these issues came to light was because of growing demand for evening work at the beginning of the previous round of bargaining. The employer refused to address any of the issues raised by the Union, however later in the previous round of negotiations the employer scaled back evening work and restructured call centres in particular in such a way as to greatly reduce the need to have workers on site and working after 6 pm. Notwithstanding this change, the parties agreed to strike a committee to review problems related to hours of work scheduling. The parameters for the creation of this committee was contained in Appendix G of the parties' current collective agreement. (Exhibit B29)

The employer authored a report stemming from discussions that had taken place in the committee. To cite correspondence between the parties stemming from a recent Unfair Labour Practice complaint filed by the Union over union communications concerning the report:

The Union and Employer have different views as to the conclusions of the report. This is arguably an issue of semantics. While the Employer maintains the view that scheduling of evening shifts is in fact "inconsistent", the Union has maintained that there is evidence of favouritism and that the assignment of shifts is arbitrary.

The Union's position is no secret. It is set out on page 3 of the Report under the heading "Findings":

> Permanent changes: in locations where shift work exists, employees have the opportunity to move from the night shift to the day shift. PSAC-UTE said that some employees felt that the opportunity was only offered to the best performers, which could leave a poor impression of those employees working the night shift. The working committee noted however, that movement to the day shift was often based on the re-hire list. Also, the employees chosen to move to day shift are often those with the greatest amount of experience.
>
> Term Employees: PSAC-UTE raised that some term employees felt that they were treated differently from indeterminate employees, i.e. that they were not always allowed to work flexible or variable hours, whereas their indeterminate counterparts were

In negotiations during the previous round, in committee discussions stemming from Appendix G, and in this round of bargaining, the Union has raised concerns with respect to how evening work is being assigned to employees. What's more, since 2016, the Union has filed well over 100 grievances pertaining to hours of work and has filed at least two Unfair Labour Practice complaints related to changes in scheduling practices. Discussions at the national level between the Union and the employer related to scheduling – particularly the introduction of changes in scheduling practices – take place at least once a month. (Exhibit B30) The employer has cited a number of reasons for these proposed changes – operational needs and limited office space being the most prevalent. In most cases, with very little exception, the disputes between the Union and the employer have revolved around the introduction of evening hours of work or, in some cases, weekend work.

The current collective agreement addresses the number of hours employees are to be scheduled, and, also provides parameters within which hours are to be scheduled

depending on the operational setting. The vast majority of employees in the bargaining unit fall under the “Day Work” provisions of the collective agreement, which includes clauses 25.06 through to 25.12. While the general parameters set out under day work consist of a 7.5 hour work day scheduled between 7 am to 6 pm, the agreement does provide for day workers to be scheduled as early as 6 am and as late as 9 pm under certain circumstances. Such schedules have traditionally been particularly prevalent in late winter or early spring, during what is often referred to as ‘tax season’. (Exhibit B31) When such circumstances arise employees are paid a ‘late hour’ premium of $7.00 an hour for every hour worked between 6 am to 7 am or between 6 pm and 9 pm.

Yet while the parameters of when hours are to be scheduled are defined by the contract, what the contract does not address is how - or to whom - hours of work are assigned. Thus, who has to come in to work as early as 6 am, or who has to work as late as 9 pm, is at management’s discretion.

Clearly the parties have established that assigning hours between 6 and 7 am and after 6 pm are less desirous hours to work as the collective agreement provides an additional premium to compensate employees who work the hours. And yet there are no rules, no protections, no clear and transparent systems prescribed by the collective agreement with respect to how the hours are assigned. This sort of unfettered management discretion with respect to assigning of work hours is unusual in a unionized environment and opens the door for potential favouritism and abuses on the part of management. Indeed, the Union suggested this in Appendix G discussions as pointed out earlier.

Similarly, there are no rules with respect to the assigning of work hours for part-time and shift working employees. While shift work is somewhat rare at CRA, there are well over one-thousand, seven hundred part-time employees. What’s more, unlike full-time employees, part-time employees are provided no protections whatsoever in terms of the

number of hours that they work. The collective agreement merely states that they work less than 37.5 hours a week.

The Union is proposing a simple solution with respect to hours of work assignment for employees accessing late hour premium, working shits and/or working part-time: recognition of years of service.

Years of service recognition, or 'seniority', is a fair and objective concept that governs tens of thousands of unionized workers in every sector of the Canadian economy – law enforcement, automotive, mining, textiles, steel, manufacturing, trades, hotel, health care, grocery, transport and other service industries and beyond. It can be found in every collective agreement covering every provincial civil service, and as will be demonstrated below, it is highly prevalent in the federal public administration.

Seniority is a concept that is well entrenched in union-management relations. Indeed, to quote Brown and Beatty's Canadian Labour Arbitration (2007 edition, vol. 1): "Seniority systems are an integral part of virtually every collective agreement", and to quote Brown and Beatty's citation of the landmark 1964 *Tung-Sol of Canada Ltd* decision: "all arbitrators start from the premise that: seniority is one of the most far-reaching benefits which the trade union movement has been able to secure for its members by virtue of the collective bargaining process".[6] To cite a 2006 Canada Industrial Relations Board decision: "Seniority has often been viewed as the most fundamental advantage to working in a unionized environment. It is referred to by several experts as the "industrial adaptation of a hierarchic principle inherent [to] the human condition".[7]

The concept of seniority is not new to the public service. It can be found in well over twenty collective agreements within the core public service, from the House of Commons to the

[6] Brown, Donald and Beatty, David. Canadian Labour Arbitration (Fourth Edition), Vol.1, Canada Law Book, September 2006.
[7] *Air Canada*, [2006] CIRB no. 349.

Senate of Canada to Staff of Non-Public Funds to the National Film Board of Canada. (Exhibit B32) Years of service recognition is well established at Treasury Board. It governs shift selection, vacation leave scheduling, the assigning of part-time hours of work and firearm participant training selection for nearly 10,000 workers covered by the PSAC-Treasury Board agreement for the Border Services bargaining unit. It is the determining factor for schedule assignment under the Treasury Board collective agreement for the CX group. It is applied for vacation scheduling in Treasury Board's agreement with the PSAC for the Public and Administrative Services group (a bargaining unit of over 80,000 predominantly day-working employees). (Exhibit B32) It is currently applied under the CRA in the context of vacation scheduling and the Workforce Appendix.

There is well established PSLRB jurisprudence concerning seniority recognition. In 2009 the PSLRB issued a number of arbitral awards in which seniority was introduced for hours of work scheduling. In the award covering shift workers and part-time employees the House of Commons, the Board stated:

> *(…) through his or her years of service, an employee attains a breadth of knowledge and expertise as a result of his or her tenure with the organization. Through time, an employee becomes a more valuable asset, with more capabilities, and should be treated accordingly." (PLSRB 485-HC-40).*

The Board also stated in that same decision that years of service recognition: "(g)ives a measure to an employee not in terms of compensation but in recognition of his or her value and contribution to the organization." Of note is that the Board awarded that the following language apply to all shift workers in the House of Commons Operational bargaining unit:

> *In the event of a vacant shift, the Employer will reassess its scheduling requirement. Should the shift still be required, the Employer will canvass all qualified employees covered by the schedule for volunteers. Should more than one employee select the same shift, seniority shall be the determining factor to allocate the shift.*

In that same decision the Board awarded that the following language apply to all part-time and seasonal employees:

> *Unscheduled straight-time hours shall be offered in order of seniority*.

In another award issued that same year, the Board awarded the following language for seasonal and part-time workers at the House of Commons in the Reporting and Text Processing bargaining unit (PSLRB 485-HC-42):

> *When the House of Commons is in session, straight-time hours of work beyond those scheduled for full-time indeterminate employees shall be assigned by seniority to part-time and seasonal certified indeterminate employees in the following order.*
>
> *(i) Qualified employees who normally perform the duties where the hours are to be worked*
>
> *(ii) All other qualified employees in the bargaining unit.*

Thus seniority recognition is a concept that has become firmly entrenched within PSLRB jurisprudence over the last several years, particularly with respect to hours of work scheduling.

With respect to the broader public sector, federal and otherwise, the number of collective agreements where seniority plays a role in the scheduling of work hours are far too numerous to enumerate here. As previously stated, it is almost universally recognized in the labour relations world as the only fair, transparent and objective standard to apply with respect to working conditions.

In terms of the Union's proposals, the proposal made for 25.11 d) is similar to language awarded by the Board in 2010 for evening and night shift assignment at the House of Commons. The language awarded by the Board in that case stated:

On the effective date of the arbitral award, the Employer shall solicit employees in Maintenance and Material Handling every six (6) months for volunteers for all scheduled shifts that start or end between 18:00 and 06:00. In the event that there are more volunteers than required, the Employer shall award these shifts in order of seniority. In the event that there are fewer volunteers than required, the Employer shall assign these shifts in reverse order of seniority. (PSLRB 485-HC-40)

The Union's proposal for 25.11 d) follows the same concept: namely that the hours go to the most senior employee that wants to work them. If no one wants to work the hours they are assigned in reverse order of service. The hours could only be assigned to employees who normally perform the duties required.

With respect to shift working environments, the Union is again proposing language that is modeled on what has already been established in the core public service. The PSAC-Treasury Board agreement for the FB group states the following:

25.17 Shift Schedule

a) If the Employer reopens a shift schedule due to operational requirements, or a line becomes vacant, the Employer will determine the qualifications required prior to canvassing all employees covered by this specific schedule.

   Should more than one employee meeting the qualifications required select the same line on the schedule, years of service as defined in subparagraph 34.03 (a)(i) will be used as the determining factor to allocate the line.

b) In populating a newly established schedule, as developed by the Employer, the Employer will canvass all employees covered by the specific schedule for volunteers to populate the schedule.

   Should more than one employee meet the qualifications required select the same line on the schedule, years of service as defined in subparagraph 34.03 (a)(i) will be used as the determining factor to allocate the line.

c) Subject to a) above, by mutual consent the parties may agree to conduct a re-population of schedules at any point over the life of the schedule.

Again, this language is consistent with what the Board awarded for hours of work assignment for shift workers at the House of Commons in 2010, as outlined above.

Much of the evening work that is assigned at the CRA is in the agency's Call Centres. These can be found in the following locations:

Pacific (Fraser Valley)
Edmonton
Calgary
Hamilton
Toronto East
Montreal
St. John, NB
St. John's, NF
Surrey (NVCC)
Ottawa (NVCC)
Shawinigan (NVCC)
St. John's, NF (NVCC)

Members of the Union working in these locations in Call Centres are required to take calls from Canadians to respond to questions or concerns regarding tax laws, collections and the filing of returns.

The only other PSAC collective agreement where call centre workers constitute as large a population per capita as they do at Canada Revenue Agency is the Union's Agreement with Canada Post. What the Union is proposing with respect to shift scheduling, evening work and part-time employees is consistent with what is applied for employees doing similar work under similar operational environments at Canada Post.

The PSAC/Canada Post collective agreement states the following:

24.05 Seniority Rights

Seniority shall be used to accommodate employees preferences as follows:

(a) Selection of shift and work schedules within the work section among positions of a similar nature.

The same agreement states:

25.09 Hours of Work Applicable to Part-Time Employees

(c) Part-time employees working more than three point seven five (3.75) consecutive hours will be entitled to an unpaid lunch period of a minimum of one-half (½) hour.

(d) Part-time employees who work more than three (3) consecutive hours will be entitled to a paid rest period of fifteen (15) minutes; part-time employees who work more than six (6) consecutive hours will be entitled to an additional paid rest period of fifteen (15) minutes.

The Union submits that, if the protections being sought by the Union have been agreed to by another federal employer subject to similar operational pressures and needs, there is no reason why CRA cannot do the same.

Lastly, with respect to years of service, the Union is proposing that hours beyond those scheduled to full-timers be offered at straight-time in order of service to part-time employees, consistent with what has been agreed to between the PSAC and a number of federal employers, including the Treasury Board. Part-timers represent a significant population at CRA. Yet these employees are afforded very few rights under the parties' agreement.

The proposal would work as follows: Hours for full-time employees would be scheduled first. Hours for part-time employees would then be scheduled consistent with the hours contained in each part-time employee's letter of offer. All straight-time hours beyond those would be offered to part-time employees in order of service. The introduction of such language into the collective agreement would provide a clear and transparent mechanism for the assigning of work hours.

Also of significant importance to part-timers, additional hours worked beyond those contained in part-time employees' letter of offer often do not count for the purposes of pension calculation, as part-time employees' Assigned Work Week (AWW) often reflects the hours contained in their letter of offer (AWW being the hours that are reported to Public Works and Government Services Canada for the purposes of pension calculation). Under government policy, should a part-time employee begin to regularly work hours beyond the hours contained in their AWW, the employer is required to adjust the employee's AWW. What the Union's proposal would mean is that part-time employees would be able to exercise their years of service to regularly work additional hours that become available, and that these hours would become pensionable. (Exhibit B33)

In bargaining with Treasury Board for the Border Services group the PSAC made a similar proposal concerning part-time employees. After having made submissions to a Public Interest Commission for that dispute, the panel included in its recommendation 2016 that: "(t)he Commission recommends that the collective agreement include a provision for distribution of straight-time hours for part-timers based on years of service, subject to the number of hours set out in a letter of offer."(PSLRB 590-02-10) The parties subsequently signed off on the language in 2018. The Union submits that the same should be applied to PSAC members at CRA.

As previously stated, many of the issues that have arisen have been due to the fact that there are no rules under the current agreement concerning the assigning of work hours, both in terms of scheduling when operational changes are made, and in situations where additional hours become available. In terms of additional hours, in some locations these hours could be offered as overtime to full-timers, in other cases the hours could be offered to part-timers on an 'equitable' basis. In other cases the hours are offered to some employees but not others. The application of years of service would address all these problems for part-timers. Indeed, it would address these problems for part-timers just as

it would address the other aforementioned problems concerning scheduling assignment at CRA.

The Union submits that there is no cogent or defensible reason as to why years of service should not be applied for evening, shift working and part-time employees at CRA. It is already recognized for scheduling purposes for thousands of federal public servants. It should be recognized for CRA employees as well. Indeed, the Union submits that such scheduling systems are in the interests of both parties, as it provides a clear, objective standard for the assigning of hours. Again, to cite a decision recently rendered by the Canada Industrial Relations Board:

> *One of the primary reasons for including seniority rights provisions in a collective agreement is to protect employees in the bargaining unit against arbitrariness by management. Seniority rights ensure that an objective standard is applied when determining employment status.*[8]

Hence the Union's proposals to have years of service applied for workers at CRA.

Flexibility and Work-Life Balance

The Union proposals for Articles 25.08 and 25.09 would afford employees the possibility of enhanced flexibility with respect to work hours, flexibility which under the Union's proposals would come at no economic or operational cost to the employer.

With respect to 25.08, the Union is proposing that employees would have the option of starting their work day as early as 6 am, subject to operational requirements. For those employees living and working in large urban areas such as the GTA, Vancouver and

[8] *Air Canada*, [2006] CIRB no. 349.

Montreal, the ability to start work an hour early would provide potential opportunities for greater work-life balance via reduced time spent commuting to and from work.

The Union's proposal for 25.09 would allow for employees to average out their hours of work in such a way as to work a maximum of 9.5 hours per day. At the present the contract allows for employees to work what are commonly called 'compressed' work weeks by completing their weekly hours of work averaged out over fourteen, twenty-one or twenty-eight calendar days. Many employees currently avail themselves of the rights provided under this clause. The problem at present that the Union is looking to resolve is that employees are sometimes told that they cannot work more than 8.5 hours in a day. Many employees have expressed the desire to work days of 9.5 hours on a compressed schedule but have been denied such requests without any cogent explanation having been provided. What's particularly frustrating for these employees is that there are employees now who work a 9.5-hour day. (Exhibit B34)

On its website, the CRA has indicated that as an employer the CRA "understand(s) the value of work-life balance, and (is) committed to fostering an environment that promotes and supports that goal". (Exhibit B35) The Union submits that its proposals for 25.08 and 25.09 are consistent with – in fact are fully supportive of – one of the Agency's key goals as an employer. In the case of 25.08, the Union has not proposed to remove the employer's ability to deny employee requests for flexible work hours based on operational requirements. In the case of 25.09, any variable hours arrangements could only be implemented with the consent of management. Yet, despite all of this, the CRA has rejected the Union's proposals for both clauses.

The Union submits that the employer's position with respect to 25.08 and 25.09 is unreasonable. Both proposals would come at no additional cost to the employer. Both proposals provide for the Agency to the ability to run its business as it sees fit, while at the

same time providing the potential to enhance employee work-life balance – one of the Agency's stated objectives according to its website.

In light of these facts, the Union respectfully asks that the panel include its proposals for 25.08 and 25.09 in its recommendations.

Shift Work and Day Work

Article 25 provides a definition of both day work and shift work. As previously stated, 25.06 is explicit with respect to day work: day workers generally work a 37.5 hour week Monday to Friday, each workday consisting of 7.5 consecutive hours worked between 7 a.m. and 6 p.m.

With respect to shift work, the collective agreement (25.13) implies that shift work is work that is scheduled on a rotating or irregular basis.

What the current agreement does not directly address are scenarios where employees are working hours that are non-rotating and non-irregular, and that fall outside of the day work parameters set out by 25.06 through 25.11. For example, 25.17 of the collective agreement speaks to "standard shift schedules" that include midnight to 8 a.m., 4 p.m. to midnight, 11 p.m. to 7 a.m. and 3 p.m. to 11 p.m. Nowhere does the collective agreement explicitly state that employees must be scheduled to rotate through these hours.

Given these facts, the Union submits that there is a proverbial hole in the parties' current collective agreement in that certain employees could conceivably be scheduled to work hours that are not day work hours, yet at the same time not potentially be considered to be working shifts. For example, an employee whose shift is 11 p.m. to 7 a.m. would be entitled to the shift premium. However, the ambiguity of 25.13 suggests that said employee may not actually be working a "shift", as someone who always works 11 p.m. to

7 a.m. is not working rotating or irregular hours. Indeed, a “shift” is not explicitly defined in the parties’ current agreement.

The Union’s proposal to rectify this is simple: that scheduled hours that fall outside of the day work parameters be considered shift work. Hence the Union’s proposal for the first paragraph of 25.13, which states that workers scheduled hours outside of day work are considered shift workers. The Union makes the proposal for two reasons. First, because there is an ambiguity in the collective agreement that needs rectifying. There should be no ambiguity with respect to who is a shift worker and who is not, particularly given the nature of the Employer’s operations, and given the rights provided under the collective agreement to shift workers and day workers respectively.

The second reason is that the Union wants to ensure that there is no cause for the Employer to assume that rotation is somehow preferable or necessary versus fixed shift scheduling.

A brief survey of academic and trade literature on the subject of the rotational shift work demonstrates that there is little disagreement over the highly disruptive nature of rotational shift work on the health of employees. The difficulty of these work arrangements also has a significant impact on the errors committed at work, due to workers’ interrupted sleep patterns. This is especially true of rotational and irregular shift arrangements. (Exhibit B36).

It is for this reason that the Union’s agreement with the Treasury Board for the FB group – one of the largest shift-working populations in the federal public sector – reflects what the Union is proposing here. (Exhibit B37)

Thus, in light of the considerable evidence concerning the negative impacts of rotational shift practices, the Union submits that there needs to be a clear reference in the collective agreement to a non-rotational option in the context of shift scheduling.

In addition to rotation, shift work in general has been found to be detrimental to employees' health. Night-shift work in particular, and under the parties' current agreement the only scenario under which an employee may be assigned to work later than 9 pm is under the shift work provisions of the agreement. (Exhibit B38) There has traditionally been very little shift work at the CRA. However, given the increasing demands on the part of the employer to move to less traditional working hours, the Union and its membership has grave concerns about the prospect of the employer attempting to introduce more shift-working arrangements. It is for this reason that the Union has proposed the new 25.xx. The Union is interested in protecting its members and in protecting the status quo – namely that there be minimal shift work at the CRA.

Call Centre Break Times

For several years the Union has been raising issues related to work in CRA's call centres. The Union has raised matters related to call centre working conditions in every National Union Management Committee Meeting since this collective agreement took effect. Minutes from these meetings reflect the Union's speaking to workload problems, stressors, the need for management to do more to focus on the well-being of employees. (Exhibit B39) Indeed, call centre problems are such that the Union has struck a Call Centre Committee.

The Agency introduced this year a new system for call centre monitoring employees that is extremely unpopular with the employees, known as the Call Centre Agent Assessment Tool (CCAAT). In its March memo to the Union's membership, the Union's Call Centre

Committee indicated that the Union is opposed to the CCAT for a number of reasons. The memo states:

> "We made it clear to the employer that we do not approve of the use of CCAAT in its current format. We believe this tool should be used solely for quality assurance purposes and not for performance or rehire". (Exhibit B40)

The Union speaks to 'rehire' in its memo due to the fact that call centres are staffed with a great many term employees.

Employees in call centres are monitored by management at all times under the CCAAT program, and the expectation is often that employees be on the phones at all times when on shift. The pressure on employees is immense and has increased over the last several years. Time spent on calls, or waiting for a call, is monitored and tracked. What is said is tracked. These figures are used to determine employee performance and – in the case of term employees – whether or not an employee is rehired.

In light of these conditions, the Union is proposing language that would help improve morale and mitigate against the effects of the constant pressure being applied by the employer in these settings – namely that these employees be afforded a five-minute break for each hour that they are on shift.

In bargaining the Employer tabled language consistent with what the PSAC negotiated in the previous round with the Treasury Board for call centre workers in the PA group. The PA language states:

58.01 Employees working in Call Centres shall be provided five (5) consecutive minutes not on a call for each hour not interrupted by a regular break or meal period.

In negotiations with the CRA the Union rejected this proposal as it does not get ultimately at the root of the problem in CRA call centres – namely that employees need a break from

phones and associated paperwork for five minutes, not just 5 minutes off of the phone. Most importantly, what was agreed to for the PA group is already the norm at CRA. Were the Union to agree to what the CRA is proposing there would be no material improvement for call centre workers.

To summarize the situation in CRA call centres:

- A significant number of call centre employees are term employees. Indeed in some workplaces a majority of the workers are term employees.
- Most call centres require evening work at some point over the course of the year. At present there are no clear rules around how evening work is assigned amongst employees.
- The employer has been ratcheting up the pressure on call centre employees in an effort to maximize productivity. These pressures include new surveillance and monitoring systems.
- The Union has been raising call centre issues regularly over the life of this collective agreement, both at National Union Management Committee meetings and at the bargaining table.
- The proposals being made by the Union in this round of bargaining concerning break times for call centre workers and concerning hours of work assignment for evening and weekend workers would serve to greatly alleviate conditions in call centres and improve labour relations between the parties. The Union submits that the current model cannot continue, and that these issues will need to be addressed in this round of bargaining.

Part-Timers and Designated Paid Holidays

As the Union prepared for this round of negotiations a considerable number of part-time employees contacted the Union with an interest in receiving pay for designated paid holidays consistent with what is applied for full-time employees. Consequently, the Union

is proposing that part-time employees be given the opportunity to either be paid on a pro-rated basis on designated paid holidays or to receive the compensation paid in exchange for the holiday as per the parties' current agreement.

What is being proposed would come at minimal operational or financial prejudice to the employer given that employees could submit any changes only on an annual basis and even then only well in advance of the change taking effect.

Employer Concessions

The Union going into this round of negotiations – as was the case in the previous round, though far more acute in this round – made it clear that it is seeking new protections for employees in the context of hours of work scheduling. The current collective agreement provides CRA management far too much discretion in the scheduling of work hours.

What the employer is proposing for Article 25 runs in the complete opposite direction of what the Union is seeking to achieve in this round of negotiations.

What the employer is proposing for 25.06 and 25.12 represents a dramatic departure from the current language in the sense that it would provide for the employer to force employees to come in as early as 6 am. What's more, employees required to work as early as 6 am through to 7 am would no longer access the Late Hour Premium as provided for under the collective agreement.

In bargaining the Union indicated that it would be prepared to agree to such an arrangement only if it were *voluntary* on the part of employees, and if there were a seniority mechanism in place should there be too many volunteers. In short, the Union offered a compromise on the issue. A proverbial 'win-win' as the employer could begin to have employees come in earlier than 7 am without paying the Late Hour Premium and without

meeting the criteria contained in 25.11, while in exchange those employees who wish to voluntarily start earlier may have the opportunity to do so. The employer has rejected all compromise on this issue. The Union has zero intention of accepting the employer's proposal. It is a dramatic concession.

With respect to the employer's proposal for 25.17, the Union is interested in curtailing shift work, not expanding shift work options for the employer in the collective agreement. What's more, the current shift patterns are the norm in PSAC agreements in the core public service. (Exhibit B41)

Lastly, the employer's proposal for 25.20 represents a significant concession and again provides for the opposite of what the Union is looking to achieve in this round of negotiations. What's more, were the Union to agree to it, the CRA would very much be an outlier, as 7-day notice for shift change is the standard in all of the PSAC's collective agreement's in the core public service (Exhibit B42)

Summary

The parties spend a considerable amount of time talking about hours of work assignment, both at the local and national levels. To provide but one example, in Summerside, PEI the parties created a 'scheduling committee' at the local level to deal with on-going scheduling issues. Recently considerable time was spent between the parties at all levels discussing the impact of operational changes on scheduling in call centres. The Union submits that, were the parties to include its proposals concerning hours of work assignment and years of service, a great deal less time would be spent dealing with issues related to how and to who hours are assigned. This is because there would clear rules in the parties' agreement to deal with such problems. These rules are standard in the unionized world. They are the norm. Indeed, the fact that years of service are not recognized for hours of work

assignment at CRA means that the current collective agreement is clearly an outlier when compared to the broader unionized labour market.

With respect to 25.08 and 25.09, the Union proposals would come at no operational or economic cost to the employer. It would serve to further enhance employee work-life balance, a goal that has been clearly identified by the CRA in terms of its human resources practices.

With respect to the concessions sought by the employer, they are in the case of 25.06, 25.12 and 25.20 dramatic and completely out of sync with what the Union has negotiated and has been agreed to for all other major employers in the core public service.

In light of these facts, the Union submits that its proposals for Article 25 are entirely reasonable, would solve problems in the work place and bring terms and conditions for CRA workers in line with what has been established elsewhere in the unionized world. The Union therefore respectfully requests that they be included in the panel's recommendations, and that the employer's proposals be rejected.

ARTICLE 27
SHIFT PREMIUMS

Excluded provisions This Article does not apply to employees on day work, covered by clauses 25.06 to 25.12 inclusive.

27.01 Shift Premium An employee working on shifts will receive a shift premium of ~~two dollars and twenty-five cents ($2.25)~~ **three dollars and fifty cents ($3.50)** per hour for all hours worked, including overtime hours, between 4:00 p.m. and 8:00 a.m. The shift premium will not be paid for hours worked between 8:00 a.m. and 4:00 p.m.

27.02 Weekend Premium

(a) An employee working on shifts during a weekend will receive an additional premium of ~~two dollars and twenty-five cents ($2.25)~~ **three dollars and fifty cents ($3.50)** per hour for all hours worked, including overtime hours, on Saturday and/or Sunday.

(b) Where Saturday and Sunday are not recognized as the weekend at a mission abroad, the Employer may substitute two (2) other contiguous days to conform to local practice.

RATIONALE

Workers at CRA have only seen a very modest increase of 0.25$ in shift premium since 2002 - over seventeen years. While wages have been adjusted substantially over the same period, shift and weekend premiums have seen their value eroded by inflation. In that seventeen-year period, inflation has increase just over 36%. Given the time that has elapsed since the last increase, the Union submits that its proposal is entirely reasonable.

Additionally, the Ships Repair (East) and Ship Repair (West) shift premium formulas are one-seventh (1/7) of the employee's basic hourly rate of pay for evening is the equivalent of about $4 to about $6 depending on the pay range. Ship Repair (West) shift premium formula for night is one-fifth. As well, other federal public sector employers have agreed to a considerable increase in shift premium for other groups of workers it employs. For

example, the PSAC bargaining unit for Scanner Operators at Parliamentary Protective Services, Operational workers and both editors and senior editors at the House of Commons, workers at the Senate of Canada and at the Museum of Science and Technology Corporation have all seen their shift and weekend premiums increase. Some of these increases were achieved via PSLRB arbitral awards (Exhibit B43). Also, in a most recent interest arbitration award issued by the PSLREB the Board awarded an increase in shift premium of 7% for Peace Officer working at the House of Commons (Exhibit B44).

As previously stated, the impact of shift schedules on the health and welfare of the employees is significant. The most common health complaint cited by shift workers is the lack of sleep. However, as was noted in a Statistic Canada report (Exhibit B45), shift work has also been associated with several illnesses including: cardio-vascular disease, hypertension and gastrointestinal disorders. Shift workers also report higher levels of work stress which has been linked to anxiety, depression, migraine headaches and high blood pressure. Research has also shown that sleep deprivation generated by shift work is related to an increased incidence of workplace accidents and injury. The interference that shift work causes in individuals' sleep patterns has resulted in workers experiencing acute fatigue at work, impaired judgements and delayed reaction times.

Of equal significance are the limitations that shift work poses for participation in employees' leisure time and family activities. Employees required to work non-standard hours face incredible challenges in balancing their community, family and relationship obligations, frequently leading to social support problems. The current rates paid for shift work do not adequately compensate members for this sacrifice of their time and health.

As wages and inflation increase, the relativity between the value of the shift/weekend premium and the hourly rates of pay also needs to be maintained through an upward adjustment to the premium. Otherwise the premium pay associated with shift work would not properly compensate employees for the hardship and inconvenience represented by

this kind of work. CRA should be able to compensate employees more fairly for the imposition on their personal lives and the disruption to their work/life balance.

ARTICLE 28
OVERTIME

28.05 Overtime Compensation on a Day of Rest Subject to paragraph 28.02 (a):

(a) an employee who is required to work on a first (1st)day of rest is entitled to compensation at time and one-half (1 1/2) for the first (1st) seven decimal five (7.5) hours and double (2) time thereafter;

(b) an employee who is required to work on a second (2nd) or subsequent day of rest is entitled to compensation at double (2) time (second (2nd) or subsequent day of rest means the second (2nd) or subsequent day in an unbroken series of consecutive and contiguous calendar days of rest);

(c) ~~when an employee is required to report for work and reports~~ **when the employer schedules an employee to work** and the employee reports on a day of rest, the employee shall be paid the greater of:

(i) compensation equivalent to three (3) hours' pay at the applicable overtime rate for each reporting to a maximum of eight (8) hours' compensation in an eight (8) hour period, or

(ii) compensation at the applicable overtime rate;

(d) the minimum payment referred to in subparagraph (c)(i), does not apply to part-time employees. Part-time employees will receive a minimum payment in accordance with clause 60.05.

28.07 Compensation in Cash or Leave With Pay

~~(a)~~ Upon request of an employee, overtime shall be compensated in cash or leave **at the applicable overtime rate** at the employee's discretion. ~~except where, upon request of an employee and with the approval of the Employer, or at the request of the Employer and the concurrence of the employee, overtime may be compensated in equivalent leave with pay.~~

(b) The Employer shall endeavour to pay cash overtime compensation by the sixth (6th) week after which the employee submits the request for payment.

(c) The Employer shall grant compensatory leave at times convenient to both the employee and the Employer.

(d) Compensatory leave with pay earned in the fiscal year and not used **within twelve (12) months of the date earned** ~~by the end of September 30 of the following fiscal year~~ will be paid for in cash at the employee's hourly rate of pay as calculated from the classification prescribed in the certificate of appointment **during the period for which this period of leave was earned**. ~~of his or her substantive position on September 30.~~

(e) At the request of the employee ~~and with the approval of the Employer~~, accumulated compensatory leave may be paid out, in whole or in part, once per fiscal year, at the employee's hourly rate of pay as calculated from the classification prescribed in the certificate of appointment of his or her substantive position at the time of the request.

28.08 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~~ **compensated** for one (1) meal in the amount of ~~ten dollars and fifty cents ($10.50)~~ **twenty** dollars **($20.00**) ~~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~~ **compensated** for one (1) additional meal in the amount of ~~ten dollars and fifty cents ($10.50)~~ **twenty** dollars **($20.00**) for each additional four (4) hour period of overtime worked thereafter, ~~except where free meals are provided.~~

(c) Reasonable time with pay, ~~to be determined by the Employer~~, shall be allowed the employee in order that the employee may take a meal break either at or adjacent to the employee's place of work. For further clarity, this meal period is included in the hours referred to in paragraphs (a) and (b) above.

(d) Meal allowances under this clause shall not apply to an employee who is in travel status which entitles the employee to claim expenses for lodging and/or meals.

28.09 Transportation Expenses

(a) ~~When an employee is required to report for work and reports~~ **When the employer schedules an employee to work** and the employee reports under the conditions described in paragraphs 28.05(c), and 28.06(a), and is required to use transportation services other than normal public transportation services, the employee shall be reimbursed for reasonable expenses incurred as follows:

(i) mileage allowance at the rate normally paid to an employee when authorized by the Employer to use his or her automobile when the employee travels by means of his or her own automobile,

or

(ii) out-of-pocket expenses for other means of commercial transportation.

(b) Other than when required by the Employer to use a vehicle of the Employer for transportation to a work location other than the employee's normal place of work, time spent by the employee reporting to work or returning to the employee's residence shall not constitute time worked.

Consequential proposals – linked to Article 28:

Work Performed on a Designated Holiday
30.07

(a) When an employee works on a holiday, ~~he or she~~ **the employee** shall be paid ~~time and one-half (1 1/2)~~ for all hours worked ~~up to seven decimal five (7.5) hours and~~ at double (2) time ~~thereafter~~, in addition to the pay that the employee would have been granted had ~~he or she~~ **the employee** not worked on the holiday, or

(b) upon request, and with the approval of the Employer, the employee may be granted:

(i) a day of leave with pay (straight-time rate of pay) at a later date in lieu of the holiday, and

(ii) pay at ~~one and one-half (1 1/2)~~ **double time**~~s~~ the straight-time rate of pay for all hours worked ~~up to seven decimal five (7.5) hours~~, and

~~(iii) pay at two (2) times the straight-time rate of pay for all hours worked by him or her on the holiday in excess of seven decimal five (7.5) hours.~~

Designated Holidays

60.08 Subject to paragraph 25.23(d), when a part-time employee is required to work on a day which is prescribed as a designated paid holiday for a full-time employee in clause 30.01, the employee shall be paid at ~~time and one-half (1 1/2)~~ **double time of the straight-time rate of pay for all hours worked**. ~~up to seven decimal five (7.5) hours and double time (2) thereafter.~~

RATIONALE

The Union's proposals for Article 28 would address issues that have arisen in the past with respect to overtime assignment and compensation.

The Union's overtime and meal allowance proposal includes several parts.

First, the Union is proposing that overtime performed on a Designated Holiday be compensated at the rate of double time. This proposal recognizes that any overtime is a disruption of the work/life balance. Sunday is currently already paid at double time and any extra time worked on a Designated Holiday should be equally as important as a second day of rest. Moreover, collective agreements at the provincial and municipal level already often provide that employees who are required to work on a holiday are entitled to be remunerated at the rate of double time (Exhibit B46).

With respect to 28.07, understanding that sometimes overtime is necessary, the employer must not hold the discretion over how an employee is compensated for their overtime work. The Union's proposal demands that the employee's preference must be respected relative to how the employee elects to receive that compensation, either in cash or equivalent leave with pay. The employee works the overtime the employer requires the overtime. The employee should be able to decide how they want to be compensated. As a result of the Phoenix pay system failure, employees may not even see their overtime

pay for years if they opt to take it as compensation. What's more, under the Union's proposal there is still a mechanism for cashout should the employee still have unused time after 12 months. Hence it would come at minimal cost for the employer. Lastly, The Union's proposal here would ensure that employees are compensated at the rate that the overtime was earned. If an employee works overtime when in an acting capacity – not an uncommon occurrence at CRA – then the employee should be paid at that rate should they cashout at a later date when no longer working in an acting position.

Third, the Union is proposing an increase in overtime meal allowance. The allowance has not been increased since 2007 — twelve years ago. In the span of that twelve years food cost have been impacted by inflation which has increased almost 22% since 2007. As such, an increase in overtime meal allowance is well overdue. Overtime meal allowance for shift workers has been increased several times via PSLRB interest arbitration for several PSAC bargaining units over the last several years (Exhibit B47)**.**

Currently, the Employer provides a meal allowance of $10.50 in circumstances where meals are not provided, and when an employee is required to work more than three (3) hours of overtime. In terms of demonstratable need, when this situation does arise, the Union submits that it is difficult, if not impossible, to find a restaurant that serves a meal for no more than $10.50. To this point, Restaurants Canada's 2019 Food Service Facts stated that restaurant menu prices in Canada rose 4.2% in the last year alone—the largest one-year increase since the introduction of the goods and services tax (GST) in 1991 (Exhibit B48)**.**

The proposal being made for 28.05 c) would rectify issues that have arisen with respect to 'reporting'. The Union's language would ensure that employees scheduled to work and who work on a day of rest are compensated accordingly, whether they 'report' or not. For example, employees on occasion work under telework arrangements. The Union wants to ensure that these employees get compensated appropriately. The current language has

been used on occasion to deny employees the full three hours provided for under the collective agreement. The Union's proposal would resolve this matter.

The Union submits that its proposals for Article 28 are entirely reasonable and appropriate, and therefore requests that the Board award its proposal.

ARTICLE 30
DESIGNATED PAID HOLIDAYS

30.01 Subject to clause 30.02, the following days shall be designated paid holidays for employees:

(a) New Year's Day

(b) Good Friday

(c) Easter Monday

(d) the day fixed by proclamation of the Governor in Council for celebration of the Sovereign's Birthday

(e) Canada Day

(f) Labour Day

(g) the day fixed by proclamation of the Governor in Council as a general day of Thanksgiving

(h) Remembrance Day

(i) Christmas Day

(j) Boxing Day

(k) ~~one (1)~~ **two (2)** additional days in each year at the discretion of the employee. ~~that, in the opinion of the Employer, is are recognized to be a provincial or civic holidays in the area in which the employee is employed or, in any area where, in the opinion of the Employer, no such additional days are is recognized as a provincial or civic holiday, the first (1st) Monday in August~~

(l) one (1) additional day when proclaimed by an Act of Parliament as a national holiday.

30.02 In addition to the designated paid holidays provided for under 30.01, all regular working days that fall between Christmas Day and New Year's Day shall be considered designated paid holidays.

RATIONALE

The Union is proposing a modification to the current Article 30.02 to include two additional day in each year at the discretion of the employee. The Union's proposals are intended to contribute to a better work-life balance.

The rationale behind the Union's proposal is that the vast majority of employees in the bargaining unit work in provinces where an additional designated paid holiday exists, but to which they are not currently entitled. As an example, Family Day is celebrated on the 3rd Monday of February and is a statutory holiday in five provinces: Alberta, British Colombia, New Brunswick, Ontario and Saskatchewan. The third Monday in February is also a designated paid holiday in three other provinces: Prince Edward Island (Islander Day), Manitoba (Louis Riel Day) and Nova Scotia (Heritage Day); and in one territory, Yukon (Heritage Day).

In the case of Quebec, January 2nd is a holiday for the vast majority of unionized employees who work in the public sector. (Exhibit B49)

Family Day was created for employees to have a mid-winter long weekend to spend time with their families, contributing to a better work-life balance. With respect to Quebec, New Year's Day is a significant event in the province and is often spent with family – hence the 2nd of January being a holiday for many unionized workers. The practical impact on members of the bargaining unit is that schools, daycare facilities and other services are not open on Family Day or January 2nd in the case of Quebec, forcing employees to scramble to make other childcare arrangements, or requiring them to take another day of leave. The Union's proposal would not only ensure that employees in the bargaining unit have access to a holiday that is already provided to millions of other Canadian workers, but at the same time not require employees to take a day out of their annual leave on that same day due to their family responsibilities.

With respect to 30.02, the Union is proposing to replicate what the Union recently negotiated with another federal employer in a first collective agreement with International Development and Research Centre. (Exhibit B50) A great many employees book annual leave during this period, and it is a time when the employer's operational needs are at its lowest. The Union's proposal here would provide for employees to not have to use their annual leave for this period of time, providing for more opportunities to access their annual leave at other times of the year.

In light of the aforementioned facts, the Union respectfully requests that these proposals be included in the Commission's recommendations.

ARTICLE 32
TRAVELLING TIME

32.06 If an employee is required to travel as set forth in clauses 32.04 and 32.05:

(a) on a normal working day on which the employee travels but does not work, the employee shall receive his or her regular pay for the day;

(b) on a normal working day on which the employee travels and works, the employee shall be paid:

(i) his regular pay for the day for a combined period of travel and work not exceeding his or her regular scheduled working hours, and

(ii) at the applicable overtime rate for additional travel time in excess of his or her regularly scheduled hours of work and travel ~~, with a maximum payment for such additional travel time not to exceed twelve (12) hours' pay at the straight-time rate of pay~~;

(c) on a day of rest or on a designated paid holiday, the employee shall be paid at the applicable overtime rate for hours traveled. ~~To a maximum of twelve (12) hours' pay at the straight-time rate of pay.~~

32.08 Travel-Status Leave

(a) An employee who is required to travel outside his or her headquarters area on government business, as these expressions are defined by the Employer, and is away from his permanent residence for ~~forty (40)~~ **twenty (20)** nights during a fiscal year shall be granted seven decimal five (7.5) hours of time off with pay. The employee shall be credited seven decimal five (7.5) hours of additional time off with pay for each additional twenty (20) nights that the employee is away from his or her permanent residence, to a maximum of ~~eighty (80)~~ **one hundred (100)** additional nights.

(b) The number of hours off earned under this clause shall not exceed ~~thirty-seven decimal five (37.5)~~ **forty-five (45)** hours in a fiscal year and shall accumulate as compensatory leave with pay.

(c) This leave with pay is deemed to be compensatory leave and is subject to paragraphs 28.07(c) and (d).

(d) The provisions of this clause do not apply when the employee travels in connection with courses, training sessions, professional conferences and seminars, unless the employee is required to attend by the Employer.

RATIONALE

It is common for employees in the CRA bargaining unit to be required by the employer to travel. For example, Payroll Auditors, Collection Officers, Compliance Officers, Team Leaders, and Training Officers in the bargaining unit spend a considerable amount of time away from their headquarters area. Likewise, PSAC members in the Technical Services bargaining unit spend a great deal of time in travel status. Yet while workers in the TC group are members of the same union, are working in the federal public sector, and are required to travel just as is the case for workers at the CRA, the two bargaining units are provided different benefits with respect to travel leave benefits, in that TC's are superior.

In negotiations, the employer provided no cogent rationale as to why such a double standard should exist. The Union's proposal to rectify the disparity is simple: simply apply the same travel leave standards in effect for PSAC members at the CRA group that are currently in effect for PSAC members in the TC group (Exhibit B51).

The Union's proposals for Article 32 are both fair and reasonable, and in the case of 32.08, represents an exact replication of what the government has already agreed to for other workers in its employ. In light of these facts, the Union respectfully requests that its proposals be included in the Commission's recommendations.

ARTICLE 34
VACATION LEAVE WITH PAY

34.01 The vacation year shall be from April 1 to March 31, inclusive, of the following calendar year.

Accumulation of vacation leave credits

34.02 An employee shall earn vacation leave credits for each calendar month during which he or she receives pay for either ten (10) days or seventy-five (75) hours at the following rate:

Replace current 34.02 a) through h) with the following:

(d) nine decimal three seven five (9.375) hours until the month in which the anniversary of the employee's second (2nd)-year of service occurs;

(e) an employee shall, beginning with the month in which the employee's 2nd anniversary of service occurs, earn annually one (1) additional day (7.5 hours) of vacation leave credits, to a maximum of thirty (30) days of vacation credits, beginning with the month in which each anniversary of service occurs;

(f) beginning with the month in which an employee's thirtieth (30th) anniversary of service occurs, said employee shall earn annually one-half (1/2) day (3.75 hours) of vacation leave credits beginning with the month in which each anniversary of service occurs.

34.03 (a) For the purpose of clause 34.02 only, all service within the public service whether continuous or discontinuous, shall count toward vacation leave ~~except where a person who, on leaving the public service, takes or has taken severance pay. However, the above exception shall not apply to an employee who receives severance pay on lay-off and/or end of specified contract and is re-appointed to the public service within one (1) year following the date of lay-off. For greater certainty, severance termination benefits taken under clauses 61.04 to 61.07, or similar provisions in other collective agreements, do not reduce the calculation of service for employees who have not left the public service.~~

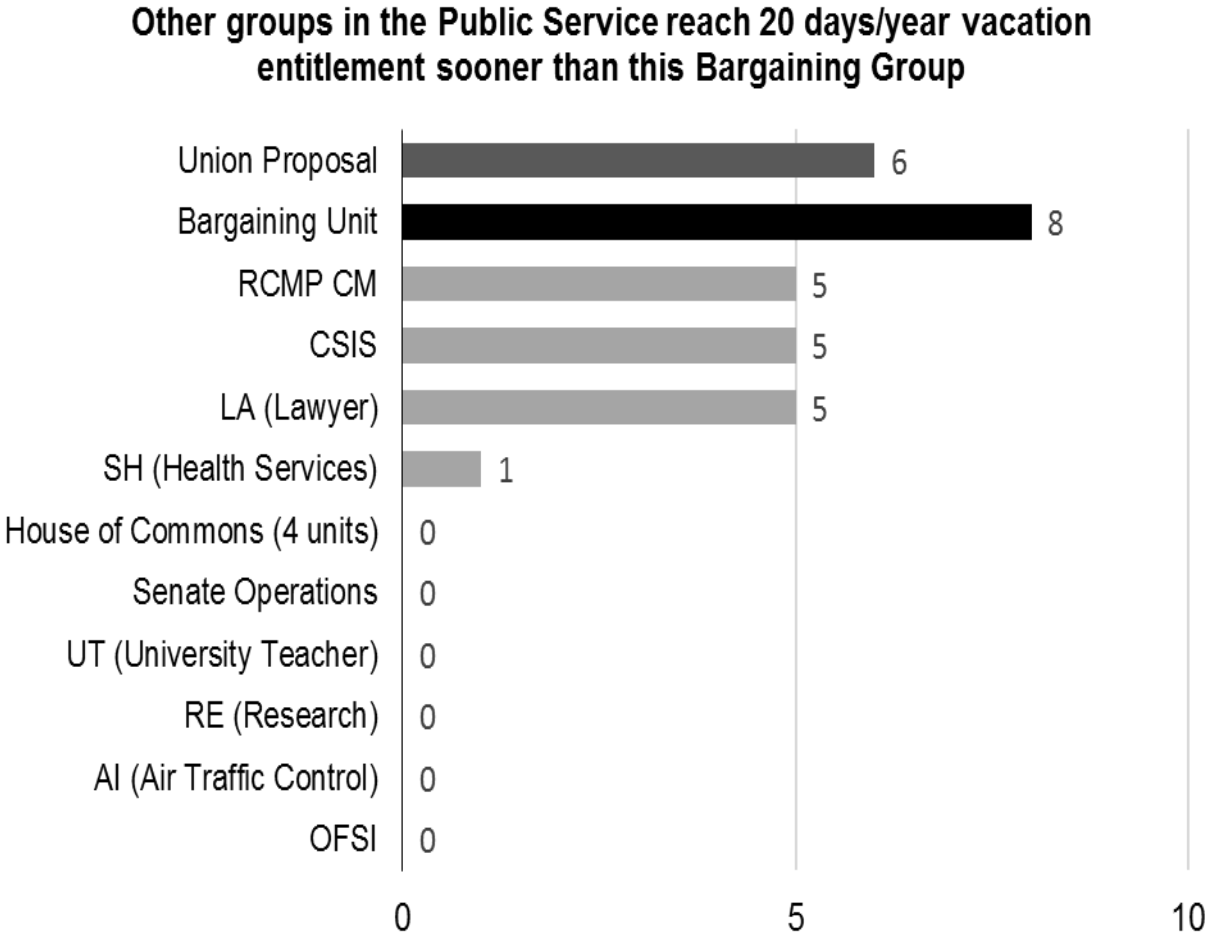
RATIONALE

For Article 34, the Union proposes to increase annual leave entitlements. Vacation entitlements for this bargaining unit have not been significantly updated in 20 years and consequently fall behind those of many other bargaining units in the broader federal sector.

Over a 30-year career, PSAC bargaining unit members at CRA can expect 5 per cent (CSIS) to 10 per cent (RCMP Civilian Members) fewer vacation days compared to other groups in the federal public sector (see below).

Percent difference in vacation days over 30 years (CRA versus other federal public sector units)	
RCMP CM	-10%
CSIS	-5%
LA (Lawyers)	-6%
SH (Health Services)	-7%
House of Commons (4 units)	-9%
Senate Operations	-9%
UT (University Teachers)	-6%
RE (Research)	-6%
AI (Air Traffic Control)	-8%
OFSI (Office of the Superintendent of Financial Institutions)	-8%

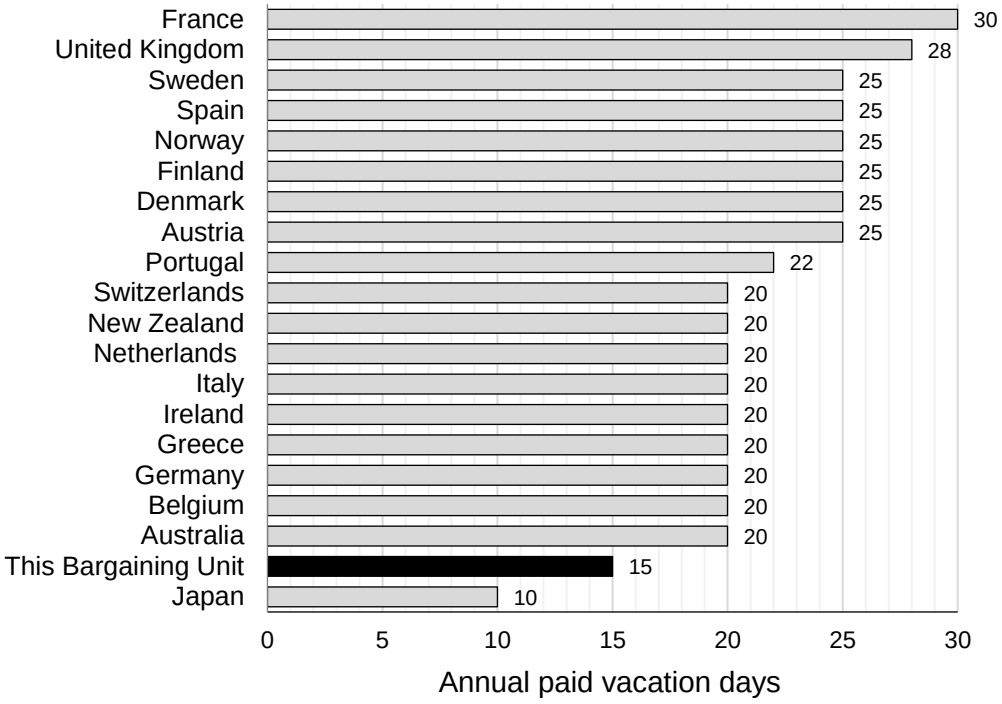
Under the Union's proposal our members at CRA would be entitled to 20 days of annual paid vacation leave two year earlier: after six years of service, instead of eight. Many groups in the federal public service have a starting entitlement (in year 0) of 20 vacation days per year (please see graph below).



The Union's proposal to increase vacation days to 20 per year after 6 years is below that of countries in the European Union and the vast majority of OCED countries. The European Union has established a floor of at least 20 working days of paid vacation for all workers. Similarly, other OECD countries, except for Japan, have a starting rate of 20 vacation days per year or more[9] (please see graph below). Increasing vacation days to 20 per year after six years is therefore very reasonable.

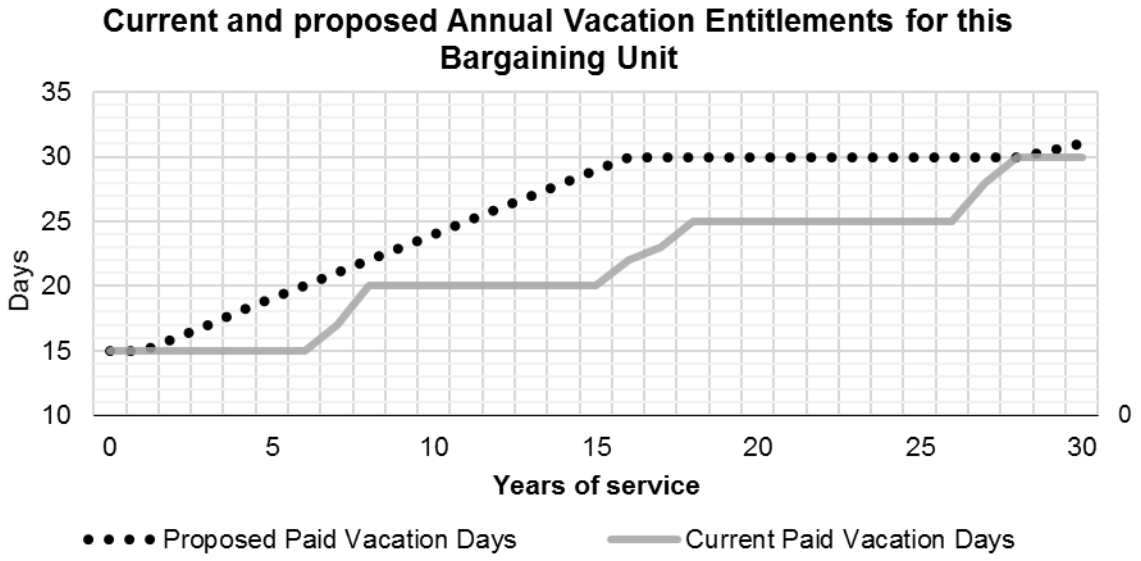
[9] *The United States remains devoid of paid vacation (and paid holidays) and were not included.*

Mandated annual paid vacation days in OECD Nations (in working days) 2019



With this proposal, employees would also earn 25 vacation days sooner, after 11 years of service. In the graph below, the solid grey line refers to the current pattern of this Bargaining Unit. The black dotted line pertains to the proposed changes.

No-Vacation Nation, Revised; Center for Economic and Policy Research; Adewale Maye, May 2019 (accessed August 25, 2019) http://cepr.net/images/stories/reports/no-vacation-nation-2019-05.pdf



Demographics in Canada's Federal Public Service have shifted over the last five years, where, prior to 2015 baby boomers (born between 1946 and 1966) made up the largest group core of federal public servants. As of 2018, more Generation Xers (born between 1967 and 1979) represent the largest proportion of public service workers (40.6%).[10] Offering attractive benefits including more paid vacation days sooner, will help to continue attracting and retaining talented Millennials and Generation Xers to the federal public service.

Vacations are a win-win for both employees and organizations alike. Recent research showed that 64 per cent of people are refreshed and excited to return to their jobs following vacations. Employees cite *avoiding burnout* as their most important reason to take vacation days (Exhibit B52). Research supports this – stress is directly linked to health conditions ranging from headaches to cardiovascular diseases, cancer, and many types

[10] **Demographic Snapshot of Canada's Public Service 2018 (**accessed August 25, 2019) https://www.canada.ca/en/treasury-board-secretariat/services/innovation/human-resources-statistics/demographic-snapshot-federal-public-service-2018.html

Aperçu démographique de la fonction publique du Canada, 2018
https://www.canada.ca/fr/secretariat-conseil-tresor/services/innovation/statistiques-ressources-humaines/apercu-demographique-fonction-publique-federale-2018.html

of infections as a result of an immune system weakened by stress. Taking vacations reduces the incidence of burnout (Exhibit B53). Research also shows that *productivity* improves when employees take time off and recharge. According to a 2013 Society for Human Resource Management (SHRM) study, employees who take more vacation time outperform those who do not[11]. CEOs rate *creativity* as a key trait for employees, however, especially younger generations, face a dramatic "creativity crisis". Taking a vacation leads to a change of pace and a 50 per cent spike in creativity, which, again benefits both employees and employers.[12]

With respect to 34.03, the Union is simply looking to clean up language that was applicable under the previous severance payout regime, and to ensure that all employees are treated equally. Under the current agreement employees' former military service is counted for vacation accrual on a continuous-discontinuous basis, but previous service with the employer is not. The proposed language rectifies this problem, consistent with what the Union negotiated in the last round of bargaining with Treasury Board. (Exhibit B54)

Taking "time off" has a host of benefits for employers and employees. Bargaining Unit members have not received a meaningful increase in vacation allotments in 20 years and current vacation entitlements are significantly below that of other groups in the public service. Considering these reasons, the Union respectfully asks the Commission to include this proposal in their recommendation.

[11]Vacation's impact on the workplace https://www.shrm.org/hr-today/trends-and-forecasting/research-and-surveys/Documents/SHRM-USTravel-Vacation-Benefits-Workplace-Impact.pptx

[12]Three Science-Based Reasons Vacations Boost Productivity https://www.psychologytoday.com/ca/blog/feeling-it/201708/three-science-based-reasons-vacations-boost-productivity

ARTICLE 37
INJURY ON DUTY LEAVE

Amend as follows:

37.01 An employee shall be granted injury-on-duty leave with pay for such period as ~~may be reasonably determined by the Employer~~ **certified by a Workers' Compensation authority** when a claim has been made pursuant to the *Government Employees Compensation Act* and a Workers' Compensation authority has notified the Employer that it has certified that the employee is unable to work because of:

a. personal injury accidentally received in the performance of his or her duties and not caused by the employee's willful misconduct,

or

b. an industrial illness**, vicarious trauma, or any other illness, injury** or ~~a~~ disease arising out of and in the course of the employee's employment,

if the employee agrees to remit to the Receiver General for Canada any amount received by him or her in compensation for loss of pay resulting from or in respect of such injury, illness or disease, provided, however, that such amount does not stem from a personal disability policy for which the employee or the employee's agent has paid the premium.

RATIONALE

Under the parties' current agreement, employees disabled due to an occupational illness are entitled to injury-on-duty leave with full normal pay for such reasonable period as is determined by the Employer, where the disability is confirmed by a Provincial Workmen's Compensation Board pursuant to *the Government Employees Compensation Act* [GECA]."[13]

The current guidelines allow the Employer to unilaterally decide when to end the benefits provided by injury-on-duty leave, even though the provincial and territorial workers'

[13] Injury-on-duty leave https://www.tbs-sct.gc.ca/pol/doc-eng.aspx?id=12139
Congé pour accident du travail *https://www.tbs-sct.gc.ca/pol/doc-fra.aspx?id=12139*
Government Employees Compensation Act https://laws-lois.justice.gc.ca/eng/acts/g-5/
Loi sur l'indemnisation des agents de l'État https://laws-lois.justice.gc.ca/fra/lois/g-5/

compensation board determines the appropriate period of recovery required to heal and to return to work[14]. In addition, the levels of workers compensation benefits received via their respective provincial Worker's Compensation Boards (WCB) vary by province and territory.

The Union respectfully submits that the changes proposed to article 37.01 would

1. provide a clear and consistent standard for the implementation and scope of injury-on-duty leave for all members covered under this Collective Agreement;
2. ensure that injured members covered by this Collective Agreement receive injury-on-duty leave for 'such period as certified by a Workers' Compensation authority'; and
3. bring this Collective Agreement in line with those federal units that have negotiated language ensuring pay and benefits to all injured or ill workers for the complete period approved by the provincial or territorial workers' compensation boards.

WCB benefits and inclusions are not equal across provinces and territories. Under the same Collective Agreement, our members do not receive the same WCB benefits. Upon getting switched to direct WCB benefits, an injured member drops from 100 per cent of their regular pay to between 75 per cent to 90 per cent of their net income depending on which province or territory in why they reside. Maximum assessable salary caps also vary by jurisdiction[15].

Inclusion of mental health injuries. Provincial and territorial workers compensation boards are updating and aligning their coverage rules for acute and chronic mental injuries.

[14] https://www.canada.ca/en/employment-social-development/corporate/reports/evaluations/federal-worker-compensation-service.html Evaluation of the Federal Workers' Compensation Service

https://www.canada.ca/fr/emploi-developpement-social/ministere/rapports/evaluations/service-federal-indemnisation-accident.html Évaluation du Service fédéral d'indemnisation des accidentés du travail (accessed September 14, 2019)

[15] Association of Workers' Compensation Boards of Canada; Benefits http://awcbc.org/?page_id=75

Association des commissions des accidents du travail du Canada; Prestations d'indemnisation http://awcbc.org/fr/?page_id=360

The union believes that language in this Collective Agreement should reflect the recent changes in provincial legislatures.

Jurisdiction	% of earnings benefits are based on	Max. assessable earnings (2018)[16]	Coverage of psychological illness due to workplace trauma[17]
SK	90% net	$88,314	Acute and chronic trauma
NL		$65,600	Acute and chronic trauma
QC		$76,500	Acute and chronic, trauma and non-traumatic
NWT & NT		$92,400	Acute and chronic, trauma only
AB		$98,700	Acute and chronic, trauma and non-traumatic
MB		$127,000	Acute trauma
ON	85% net	$92,600	Acute and chronic, trauma and non-traumatic
PEI		$55,000	Acute and chronic, trauma and non-traumatic
NB	85% loss of earnings[18]	$64,800	Acute trauma
NS	75% net first 26 weeks, then 85% net	$60,900	Acute trauma
YK	75% gross[19]	$89,145	Acute trauma
BC	90% net	$84,800	Acute and chronic, trauma and non-traumatic

Mitigation of members' hardships. The current language in the Collective Agreement is problematic, causing hardship for injured members in various ways.

The financial hardship of living on a reduced salary while on direct WCB payments is exacerbated when upon their return to work, an individual is responsible for repaying the

[16] Association of Workers' Compensation Boards of Canada; Statistics http://awcbc.org/?page_id=599

Association des commissions des accidents du travail du Canada Statistiques http://awcbc.org/fr/?page_id=2236

[17] HR Insider https://hrinsider.ca/hr-legal-trends-workers-comp-mental-stress/

[18] http://awcbc.org/?page_id=9797 Loss of earnings is defined as average net earnings minus net estimated capable earnings.

http://awcbc.org/fr/?page_id=9806 La perte de revenus est définie comme la différence entre les revenus moyens nets et la capacité de revenus moyens nets.

[19] Unless the worker earns equal to or less than the minimum compensation amount (25% of the maximum wage rate), in which case the worker receives 100% of gross.

Employer for their portions of Superannuation, Public Service Health Care Plan, Supplemental Death Benefit, and Disability Insurance. Members off for 10 days or longer also lose out on the accumulation of sick leave and annual leave credits. Periods of leave without pay are not counted for pay revision, pay increases, increment dates, and continuous employment purposes, thereby creating long-term cost implications for the member.

Implementation practices of injury-on-duty leave are not consistent from region to region and even within departments. *"Departmental officials do not have any adjudication authority but must report all workplace injuries and occupational diseases (…)"*[20]*.* Departments must obtain and verify notification of the period of disability from Labour Canada before injury-on-duty leave is approved. However, there is no consistent standard of a 'reasonable' duration for injury-on-duty leave, nor when to switch the injured member to 'direct WCB benefits'. Leave should not be granted beyond the date certified through Labour Canada that the employee is fit for work and require a departmental review if the leave granted reaches 130 days[21]. Notwithstanding this guideline, the requirement for a departmental review is bound to be extremely rare: According to aggregated, long-term data, the average duration of granted loss-of-time workers compensation claims is far below 130 days (tables below). The likelihood that members of this bargaining unit would ever exceed 130 days is negligible. There is therefore not cogent reason why length of injury-on-duty leave should be a concern.

[20] Employer's Guide to the Government Employees Compensation Act https://www.canada.ca/en/employment-social-development/services/health-safety/compensation/geca.html

Guide de l'employeur au sujet de la Loi sur l'indemnisation des agents de l'État https://www.canada.ca/fr/emploi-developpement-social/services/sante-securite/indemnisation/liae.html (accessed August 21, 2019)

[21] Injury-on-duty Leave https://www.tbs-sct.gc.ca/pol/doc-eng.aspx?id=12139&section=html

Congé pour accident du travail ***https://www.tbs-sct.gc.ca/pol/doc-fra.aspx?id=12139&section=html*** (Accessed August 21, 2019)

Average duration of claims ()[22]

Province/Territory	Average duration per claim over 5 years (2013-2017)*	Average duration of claim per year based on 2013-2017
NL	129.3	**25.9**
PE	69.8	**14.0**
NS	117.3	**23.5**
NB	105.3	**21.1**
MB	34.3	**6.9**
SK	53.6	**10.7**
AB	70.9	**14.2**
BC	74.1	**14.8**
YT	29.3	**5.9**

**The estimated total number of calendar days compensated for short-term disability over the first five calendar years of a typical Lost Time Claim (if current conditions are continued for future years)[23].*

Provincial Boards' claim decisions are based on the type of injury and aim to allow the employee to heal and then safely return to work. Unlike these Boards, departments do not have a century of experience adjudicating workplace related injuries and decisions to terminate injury-on-duty leave. They can and are influenced by internal biases and circumstances and the relationship of the Employer with the individual involved in the accident. A manager who is kindly disposed towards a member may approve a longer period of leave than if they dislike the individual. Members have reported getting switched to direct WCB payments after only a few days.

The nature of the accident or illness can influence the Employer's decision to move members to direct WCB payments. Members suffering from a repetitive strain injury are more likely to be switched to direct benefits quickly; a workplace accident previously

[22] No data available for QC, ON, and NWT/NU
Association of Workers' Compensation Boards of Canada
[23] Canadian Workers' Compensation System http://awcbc.org/?page_id=11803

Programmes d'indemnisation des accidents du travail au Canada http://awcbc.org/fr/?page_id=11805

(Accessed September 14, 2019)

covered by the media can prompt the Employer to keep the member on injury-on-duty leave longer.

Whereas wages paid under the current injury-on-duty leave provisions are usually drawn from the respective section or branch of the department in which the injured member is working, direct WCB claim payments come out of a central budget at Federal Workers Compensation Program (FWCP)[24]. This can put pressure on the department to switch the injured member to direct WCB payments as soon as possible to free up salary money and replace the injured member with a 'fit' worker. This type of situation often becomes a barrier when trying to accommodate an injured member with modified duties or a gradual return to work program.

Members cannot challenge or appeal the Employer's decision to switch them to direct WCB payments, no matter how unreasonable the decision may appear to be.

Previous recommendation by Conciliation Board

It is significant that having presented its case to a Conciliation Board, the Board agreed with the Union that the Employer's discretion over the period of injury-on-duty leave should be removed[25]. The Board recommended that the first part of clause 41.01 read:

> *41.01 An employee shall be granted injury-on-duty leave with* ***pay for the period of time that a Workers Compensation authority has certified that the employee is unable to work*** *…*

[24] Audit of the Federal Workers Compensation Programs - January 2018 https://www.canada.ca/en/employment-social-development/corporate/reports/audits/federal-workers-compensation-programs.html

Audit des programmes fédéraux d'indemnisation des accidentés du travail - Janvier 2018 https://www.canada.ca/fr/emploi-developpement-social/ministere/rapports/verification/programmes-federaux-indemnisation-accidentes.html (accessed September 14, 2019)

[25] Federal Public Sector Labour Relations and Employment Board Decisions https://decisions.fpslreb-crtespf.gc.ca/fpslreb-crtespf/d/en/item/357499/index.do

Décisions de la CRTESPF https://decisions.fpslreb-crtespf.gc.ca/fpslreb-crtespf/d/fr/item/357499/index.do Commission des relations de travail et de l'emploi dans le secteur public federal (Accessed September 14, 2019)

Existing contract language in other collective agreements

The PSAC/UPCE collective agreement has language ensuring pay and benefits to all injured/ill workers for the complete period approved by the provincial or territorial workers' compensation board. Similarly, the PSAC represents workers at the House of Commons in the Library Technician and Clerical and General Services, Library Sciences and Operational and Postal Workers groups at the House of Commons who have language in their collective agreements that does not give the Employer discretion to determine the term of injury-on-duty leave, but instead links it to the Worker's Compensation Authority claim decision (Exhibit B55).

Our proposal is grounded in sound rationale and these federal sector collective agreements prove that our proposal is fair to injured workers and workable for the Treasury Board. In light of these reasons, the Union respectfully asks the Board to include this proposal in its recommendations.

ARTICLE 38
MATERNITY LEAVE WITHOUT PAY

The Union reserves the right to make further proposals related to the Quebec Parental Insurance Plan legislative amendments.

38.01 Maternity leave without pay

a. An employee who becomes pregnant shall, upon request, be granted maternity leave without pay for a period beginning before, on or after the termination date of pregnancy and ending not later than eighteen (18) weeks after the termination date of pregnancy.

b. Notwithstanding paragraph (a):

i. where the employee has not yet proceeded on maternity leave without pay and her newborn child is hospitalized,

or

ii. where the employee has proceeded on maternity leave without pay and then returns to work for all or part of the period while her newborn child is hospitalized,

the period of maternity leave without pay defined in paragraph (a) may be extended beyond the date falling eighteen (18) weeks after the date of termination of pregnancy by a period equal to that portion of the period of the child's hospitalization while the employee was not on maternity leave, to a maximum of eighteen (18) weeks.

c. The extension described in paragraph (b) shall end not later than fifty-two (52) weeks after the termination date of pregnancy.

d. The Employer may require an employee to submit a medical certificate certifying pregnancy.

e. An employee who has not commenced maternity leave without pay may elect to:

i. use earned vacation and compensatory leave credits up to and beyond the date that her pregnancy terminates;

ii. use her sick leave credits up to and beyond the date that her pregnancy terminates, subject to the provisions set out in Article 35: Sick Leave With Pay. For purposes of this subparagraph, the terms “illness” or “injury” used in Article 35: Sick Leave With Pay, shall include medical disability related to pregnancy.

f. An employee shall inform the Employer in writing of her plans to take leave with and without pay to cover her absence from work due to the pregnancy at least four (4) weeks before the initial date of continuous leave of absence while termination of pregnancy is expected to occur unless there is a valid reason why the notice cannot be given.

g. Leave granted under this clause shall be counted for the calculation of “continuous employment” for the purpose of calculating severance pay and “service” for the purpose of calculating vacation leave. Time spent on such leave shall be counted for pay increment purposes.

38.02 Maternity allowance

a. An employee who has been granted maternity leave without pay shall be paid a maternity allowance in accordance with the terms of the Supplemental Unemployment Benefit (SUB) Plan described in paragraphs (c) to (i), provided that she:

i. has completed six (6) months of continuous employment before the commencement of her maternity leave without pay,

ii. provides the Employer with proof that she has applied for and is in receipt of maternity benefits pursuant to section 22 of the Employment Insurance Act, or Quebec Parental Insurance Plan in respect of insurable employment with the Employer, and

iii. has signed an agreement with the Employer stating that:

A. she will return to work on the expiry date of her maternity leave without pay unless the return to work date is modified by the approval of another form of leave;

B. following her return to work, as described in section (A), she will work for a period equal to the period she was in receipt of maternity allowance;

C. should she fail to return to work in accordance with section (A), or should she return to work but fail to work for the total period specified in section (B), she will be indebted to the Employer for an amount determined as follows:

$$\text{(allowance received)} \times \frac{\text{(remaining period to be worked following her return to work)}}{\text{[total period to be worked as specified in (B)]}}$$

D. the repayment provided for in (C) will not apply in situations of:

(i) death,

(ii) lay off,

(iii) early termination due to lack of work or discontinuance of a function of a specified period of employment that would have been sufficient to meet the obligations specified in section (B),

(iv) the end of a specified period of employment, if the employee is rehired by the Agency, an organization listed in Schedules I or IV of the *Financial Administration Act,* the Canadian Food Inspection Agency, or Parks Canada, within ninety (90) days following the end of the specified period of employment, and who fulfils the obligations specified in section (B),

(v) having become disabled as defined in the *Public Service Superannuation Act*; or

(vi) the employee is appointed to a position with an organization listed in Schedules I or IV of the *Financial Administration Act*, the Canadian Food 47.

b. For the purpose of sections (a)(iii)(B), and (C), periods of leave with pay shall count as time worked. Periods of leave without pay during the employee's return to work will not be counted as time worked but shall interrupt the period referred to in section (a)(iii)(B), without activating the recovery provisions described in section (a)(iii)(C).

c. Maternity allowance payments made in accordance with the SUB Plan will consist of the following:

i. where an employee is subject to a waiting period ~~of two (2) weeks~~ before receiving Employment Insurance maternity benefits, ~~ninety-three per cent (93%)~~ **one hundred per cent (100%)** of her weekly rate of pay for each week of the waiting period, less any other monies earned during this period, and

ii. for each week that the employee receives a maternity benefit pursuant to section 22 of the Employment Insurance or Quebec Parental Insurance plan, the difference between the gross weekly amount of the Employment Insurance, or Quebec Parental Insurance Plan, maternity benefit she is eligible to receive and ~~ninety-three per cent (93%)~~ **one hundred per cent (100%)** of her weekly rate of pay, less any other monies earned during this period which may result in a decrease in Employment Insurance, or Quebec Parental Insurance Plan, benefit to which she would have been eligible if no extra monies had been earned during this period, and

iii. where an employee has received the full fifteen (15) weeks of maternity benefit pursuant to section 22 of the Employment Insurance Act and thereafter remains on maternity leave without pay, she is eligible to receive a further maternity allowance for a period of one (1) week, one hundred per cent (100%) of her weekly rate of pay for each week, less any other monies earned during this period.

d. At the employee's request, the payment referred to in subparagraph 38.02(~~c~~ **b**)(i) will be estimated and advanced to the employee. Adjustments will be made once the employee provides proof of receipt of Employment Insurance or Québec Parental Insurance Plan maternity benefits.

e. The maternity allowance to which an employee is entitled is limited to that provided in paragraph (~~c~~ **b**) and an employee will not be reimbursed for any amount that she may be required to repay pursuant to the Employment Insurance Act or the Parental Insurance Act in Québec.

f. The weekly rate of pay referred to in paragraph (~~c~~ **b**) shall be:

i. for a full-time employee, the employee's weekly rate of pay on the day immediately preceding the commencement of maternity leave without pay;

ii. for an employee who has been employed on a part-time or on a combined full-time and part-time basis during the six (6) month period preceding the commencement of maternity leave, the rate obtained by multiplying the weekly rate of pay in subparagraph (i) by the fraction obtained by dividing

the employee's straight time earnings by the straight time earnings the employee would have earned working full-time during such period.

g. The weekly rate of pay referred to in paragraph (~~f~~ **e**) shall be the rate to which the employee is entitled for her substantive level to which she is appointed.

h. Notwithstanding paragraph (~~g~~ **f**), and subject to subparagraph (~~f~~ **e**)(ii), if on the day immediately preceding the commencement of maternity leave without pay an employee has been on an acting assignment for at least four (4) months, the weekly rate shall be the rate she was being paid on that day.

i. Where an employee becomes eligible for a pay increment or pay revision that would increase the maternity allowance while in receipt of the maternity allowance, the allowance shall be adjusted accordingly.

j. Maternity allowance payments made under the SUB Plan will neither reduce nor increase an employee's deferred remuneration or severance pay.

38.03 Special maternity allowance for totally disabled employees

a. An employee who:

i. fails to satisfy the eligibility requirement specified in subparagraph 38.02(a)(ii) solely because a concurrent entitlement to benefits under the Disability Insurance (DI) Plan, the Long-Term Disability (LTD) Insurance portion of the Public Service Management Insurance Plan (PSMIP) or the Government Employees Compensation Act prevents her from receiving Employment Insurance or Quebec Parental Insurance Plan maternity benefits,

and

ii. has satisfied all of the other eligibility criteria specified in paragraph 38.02(a), other than those specified in sections (A) ~~and (B)~~ of subparagraph 38.02(a)(iii),

shall be paid, in respect of each week of maternity allowance not received for the reason described in subparagraph (i), the difference between ~~ninety-three per cent (93%)~~ **one hundred per cent (100%)** of her weekly rate of pay and the gross amount of her weekly disability benefit under the DI Plan, the LTD plan or through the Government Employees Compensation Act.

b. An employee shall be paid an allowance under this clause and under clause 38.02 for a combined period of no more than the number of weeks while she would have been eligible for maternity benefits pursuant to section 22 of the Employment Insurance Act or the Quebec Parental Insurance Plan had she not been disqualified from Employment Insurance or Québec Parental Insurance Plan maternity benefits for the reasons described in subparagraph (a)(i).

RATIONALE

Under 38.02 b) iii. the Union proposal is to amend the current language in response to the reduced waiting period to collect employment insurance (EI) from two weeks to one week. The reduced waiting period applies to all forms of EI benefits including maternity and parental benefits. The total number of weeks of EI benefits payable does not change but claimants simply start receiving EI payments one week earlier than under the previous rules.

This change affects members at the CRA because the reduction of the EI waiting period from two weeks to one week does not align with the current SUB plan collective agreement language. Because of how the collective agreement is currently worded employees may claim an entitlement to receive a combined payment greater than their normal weekly earnings in the second week of the leave. For example, a payment to cover the second week of the waiting period might exceed the 100% threshold, as it combines normal weekly earnings as well as the first EI payment. In response the Union essentially propose to move the payment to the end of the EI claim.

In the last round of bargaining between the PSAC and Treasury Board the PA agreement language on maternity and parental leave was modified as per the Union proposal to address this issue (Exhibit B56).

Additionally, the Union's proposal is that the current 93 percent supplementary maternity allowance should be increased to equal the employee full salary. The EI regime allows an employee to receive both a full EI benefit and a supplemental payment from the employer without reducing the amount of the employee's EI benefit payment. However, the combination of the payment from the employer and the EI benefit cannot exceed a certain percentage of the employee's normal weekly earnings. Members covered by SUB plans may earn a maximum of 95% of normal weekly earnings but in the case of maternity the amount is 100%. The Union's sees no reason why members should be penalized even if only for a small fraction of their salary when on maternity leave.

ARTICLE 40
PARENTAL LEAVE WITHOUT PAY

The Union reserves the right to make further proposals related to the Quebec Parental Insurance Plan legislative amendments.

40.01 Parental leave without pay

a. Where an employee has or will have the actual care and custody of a new-born child (including the new-born child of a common-law partner), the employee shall, upon request, be granted parental leave without pay for a single period of up to ~~thirty-seven~~ **sixty-three** (~~37~~**63**) consecutive weeks in the ~~fifty-two~~ **eighty- six** (~~52~~ **86**) week period beginning on the day on which the child is born or the day on which the child comes into the employee's care.

b. Where an employee commences legal proceedings under the laws of a province to adopt a child or obtains an order under the laws of a province for the adoption of a child, the employee shall, upon request, be granted parental leave without pay for a single period of up to ~~thirty-seven~~ **sixty-three** (~~37~~**63**) consecutive weeks in the ~~fifty-two~~ **eighty-six** (~~52~~ **86**) period beginning on the day on which the child comes into the employee's care.

c. Notwithstanding paragraphs (a) and (b) above, at the request of an employee and at the discretion of the Employer, the leave referred to in the paragraphs (a) and (b) above may be taken in two periods.

d. Notwithstanding paragraphs (a) and (b):

   i. where the employee's child is hospitalized within the period defined in the above paragraphs, and the employee has not yet proceeded on parental leave without pay, or

   ii. where the employee has proceeded on parental leave without pay and then returns to work for all or part of the period while his or her child is hospitalized,

the period of parental leave without pay specified in the original leave request may be extended by a period equal to that portion of the period of the child's hospitalization while the employee was not on parental leave. However, the extension shall end not later than one hundred and four (104) weeks after the day on which the child comes into the employee's care.

e. An employee who intends to request parental leave without pay shall notify the Employer at least four (4) weeks in advance of the expected date of the birth of the employee's child (including the child of a common law partner), or the date the child is expected to come into the employee's care pursuant to paragraphs (a) and (b).

f. The Employer may:

i. defer the commencement of parental leave without pay at the request of the employee;

ii. grant the employee parental leave without pay with less than four (4) weeks' notice;

iii. require an employee to submit a birth certificate or proof of adoption of the child.

g. Leave granted under this clause shall count for the calculation of "continuous employment" for the purpose of calculating severance pay and "service" for the purpose of calculating vacation leave. Time spent on such leave shall count for pay increment purposes.

40.02 Parental allowance

a. An employee who has been granted parental leave without pay, shall be paid a parental allowance in accordance with the terms of the Supplemental Unemployment Benefit (SUB) Plan described in paragraphs (c) to (i), providing he or she:

i. has completed six (6) months of continuous employment before the commencement of parental leave without pay,

ii. provides the Employer with proof that he or she has applied for and is in receipt of parental, paternity or adoption benefits pursuant to section 23 of the Employment Insurance or the Quebec Parental Insurance Plan in respect of insurable employment with the Employer, and

iii. has signed an agreement with the Employer stating that:

A. the employee will return to work on the expiry date of his or her parental leave without pay, unless the return to work date is modified by the approval of another form of leave;

B. Following his or her return to work, as described in section (A), the employee will work for a period equal to the period the employee was in receipt of the parental allowance, in addition to the period of time referred to in section 38.02(a)(iii)(B), if applicable;

C. should he or she fail to return to work in accordance with section (A) or should he or she return to work but fail to work the total period specified in section (B), he or she will be indebted to the Employer for an amount determined as follows:

$$\text{(allowance received)} \times \frac{\text{(remaining period to be worked following his or her return to work)}}{\text{[total period to be worked as specified in (B)]}}$$

D. the repayment provided for in (C) will not apply in situations of:

(i) death,

(ii) lay off,

(iii) early termination due to lack of work or discontinuance of a function of a specified period of employment that would have been sufficient to meet the obligations specified in section (B),

(iv) the end of a specified period of employment, if the employee is rehired by the Agency, an organization listed in Schedules I or IV of the *Financial Administration Act,* the Canadian Food Inspection Agency, or Parks Canada, within ninety (90) days following the end of the specified period of employment, and who fulfils the obligations specified in section (B),

(v) having become disabled as defined in the *Public Service Superannuation Act*; or

(vi) the employee is appointed to a position with an organization listed in Schedules I or IV of the *Financial Administration Act*, the Canadian Food 47

b. For the purpose of sections (a)(iii)(B), and (C), periods of leave with pay shall count as time worked. Periods of leave without pay during the employee's return to work will not be counted as time worked but shall interrupt the period referred to in section (a)(iii)(B), without activating the recovery provisions described in section (a)(iii)(C).

b. Parental Allowance payments made in accordance with the SUB Plan will consist of the following:

i. where an employee is subject to a waiting period ~~of two weeks~~ before receiving Employment Insurance parental benefits, ~~ninety-three per cent (93%)~~ **one hundred per cent (100%)** of his or her weekly rate of pay for each week of the waiting period, less any other monies earned during this period;

ii. for each week the employee receives parental, adoption or paternity benefit under the Employment Insurance or the Québec Parental Insurance Plan, he or she is eligible to receive the difference between ~~ninety-three per cent (93%)~~ **one hundred per cent (100%)** of his or her weekly rate and the parental, adoption or paternity benefit, less any other monies earned during this period which may result in a decrease in his or her parental, adoption or paternity benefit to which he or she would have been eligible if no extra monies had been earned during this period;

iii. where an employee has received the full eighteen (18) weeks of maternity benefit and the full thirty-two (32) weeks of parental benefit under the Québec Parental Insurance Plan and thereafter remains on parental leave without pay, she is eligible to receive a further parental allowance for a period of two (2) weeks, ~~ninety-three per cent (93%)~~ **one hundred per cent (100%)** of her weekly rate of pay for each week, less any other monies earned during this period;

iv. where an employee has received the full sixty-one (61) weeks of parental benefit pursuant to section 23 of the Employment Insurance Act and thereafter remains on parental leave without pay, he or she is eligible to receive a further parental allowance for a period of one (1) week, one hundred per cent (100%) of his or her weekly rate of pay for each week, less any other monies earned during this period, unless said employee has already received the one (1) week of allowance contained in 38.02(~~c~~ b)(iii) for the same child.

c. At the employee's request, the payment referred to in subparagraph 40.02(~~c~~ **b**)(i) will be estimated and advanced to the employee. Adjustments will be made once the employee provides proof of receipt of Employment Insurance or Québec Parental Insurance Plan parental benefits.

d. The parental allowance to which an employee is entitled is limited to that provided in paragraph (~~c~~ **b**) and an employee will not be reimbursed for any amount that he or she is required to repay pursuant to the Employment Insurance Act or the Quebec Parental Insurance Plan.

e. The weekly rate of pay referred to in paragraph (~~c~~ **b**) shall be:

i. for a full-time employee, the employee's weekly rate of pay on the day immediately preceding the commencement of maternity or parental leave without pay;

ii. for an employee who has been employed on a part-time or on a combined full-time and part-time basis during the six (6) month period preceding the commencement of maternity or parental leave without pay, the rate obtained by multiplying the weekly rate of pay in subparagraph (i) by the fraction obtained by dividing the employee's straight time earnings by the straight time earnings the employee would have earned working full-time during such period.

f. The weekly rate of pay referred to in paragraph (~~f~~ **e**) shall be the rate to which the employee is entitled for the substantive level to which he or she is appointed.

g. Notwithstanding paragraph (~~g~~ **f**), and subject to subparagraph (~~f~~ **e**)(ii), if on the day immediately preceding the commencement of parental leave without pay an employee is performing an acting assignment for at least four (4) months, the weekly rate shall be the rate the employee was being paid on that day.

h. Where an employee becomes eligible for a pay increment or pay revision that would increase the parental allowance while in receipt of parental allowance, the allowance shall be adjusted accordingly.

i. Parental allowance payments made under the SUB Plan will neither reduce nor increase an employee's deferred remuneration or severance pay.

j. The maximum combined, shared maternity and parental allowances payable under this collective agreement shall not exceed ~~fifty-two~~ **seventy-eight** (~~52~~ **78**) weeks for each combined maternity and parental leave without pay.

40.03 Special parental allowance for totally disabled employees

a. An employee who:

   i. fails to satisfy the eligibility requirement specified in subparagraph 40.02(a)(ii) solely because a concurrent entitlement to benefits under the Disability Insurance (DI) Plan, the Long-term Disability (LTD) Insurance portion of the Public Service Management Insurance Plan (PSMIP) or through the Government Employees Compensation Act prevents the employee from receiving Employment Insurance or Québec Parental Insurance Plan benefits, and

   ii. has satisfied all of the other eligibility criteria specified in paragraph 40.02(a), other than those specified in sections (A) ~~and (B)~~ of subparagraph 40.02(a)(iii),

   shall be paid, in respect of each week of benefits under the parental allowance not received for the reason described in subparagraph (i), the difference between ~~ninety-three per cent (93%)~~ **one hundred per cent (100%)** of the employee's rate of pay and the gross amount of his or her weekly disability benefit under the DI Plan, the LTD plan or via the Government Employees Compensation Act.

b. An employee shall be paid an allowance under this clause and under clause 40.02 for a combined period of no more than the number of weeks while the employee would have been eligible for parental, paternity or adoption benefits pursuant to section 23 of the Employment Insurance Act or the Quebec Parental Insurance Plan, had the employee not been disqualified from Employment Insurance or Québec Parental Insurance Plan benefits for the reasons described in subparagraph (a)(i).

RATIONALE

The new language mostly reflects changes to the EI parental benefits brought in the 2017 and 2018 federal budgets. The Union's proposal is that a one hundred percent supplementary parental allowance shall apply for the entirety of the new extended parental leave without pay. To better understand the Union rationale for the suggested changes in Article 40.02, some additional context is useful. The 2017 and 2018 improvements to EI parental benefits affected the supplementary allowances included in the Collective Agreement. Under the new EI rules there are additional options for the parental leave:

- parents can choose to receive EI benefits over the current 35 weeks at the existing 55 per cent of their insurable earnings or;

- parents can opt to receive EI benefits over a 61-week period at 33 per cent of their insurable earnings.

In addition, parents are eligible to receive extra weeks of parental benefits when the leave is shared.

Parents need to select their option for EI parental benefits (standard or extended) at the time of applying for EI benefits. Under the current Collective Agreement, the maximum shared maternity and parental allowances payable is 52 weeks, which includes 35 weeks of parental allowance. However, the parental leave top-up provision continues to apply, and if employees elect to receive the lower replacement benefits over a 63-week period, they remain entitled to the difference between EI parental benefits and 93 per cent of their weekly rate of pay for the first 35 weeks (Exhibit B57). Moreover, under the current language, when an employee is on extended leave, the parental top-up allowance ceases at the end of the 35 weeks but employees are still entitled to receive 33 per cent EI parental benefits for the remainder of the extended parental leave without pay period.

During this round of bargaining, the Treasury Board agreed with other federal sector unions on new language including a supplementary parental allowance that would allow for a top-up equal to 55.8 per cent of the employee's rate of pay for the duration of the extended parental leave (Exhibit B58). The Union would reject this proposal for two specific reasons.

First, most parents cannot afford to live with only 55.8 per cent of their income. This would be even more difficult for families where income comes from precarious work, as well as for single parents and single-earner families. Under the Employer proposal, only families where at least one parent earning a high income might be able to take advantage of the

extended parental leave options. Otherwise, without access to a proper supplementary allowance, most members of this bargaining unit would be facing a false option where they are expected to choose between the standard period or an extended period that is simply unaffordable. In summary, the payment of parental benefits over a longer period at a lower benefit rate disincentivizes use and is less likely to be found as a viable option to low-income or single-parent families.

Second, the Union is looking to negotiate improvements for our members, not concessions. As it currently stands, the Employer proposal would result in a net loss of salary for our members on extended parental leave. The Employer calculations are supposedly based upon a cost-neutral approach where the 93 per cent over 35 weeks is converted in 55.8 per cent over 61 weeks. However, our members are currently entitled to 33 per cent for the remaining 26 weeks of leave in addition to 93 per cent for the first 35 weeks. Ultimately, the Employer proposal would be to the detriment of our membership when simply comparing it to status quo as demonstrated by the calculations below.

PARENTAL ALLOWANCE UNDER THE CURRENT COLLECTIVE AGREEMENT FOR AN EMPLOYEE CLASSIFIED AS A SP-03.

	Weekly Rate of Pay (maximum)	**Weekly Rate of Pay (93%)**	**Weekly EI Benefit (33%)**	**Weekly ER SUB Cost**	**EE Weekly Total Remuneration**
First 35 weeks	$1001.11	$931.03	$330.37	$600.67	$931.03
Next 26 weeks	$1001.11		$330.37		$330.37

	Salary	**Weeks**	**EI Overall Payments to EE**	**ER Overall SUB Cost**	**EE Total Remuneration**
First 35 weeks	93%	35	$11,562.82	$21,023.31	**$32,586.13**
Next 26 weeks	33%	26	$8,589.52	$0.00	**$8,589.52**
Total		61	$20,152.34	$21,023.31	**$41,175.65**

61 weeks of full pay for an employee classified as a SP-03 would equal $61,067.71, therefore, as illustrated by the table above, the existing arrangement is worth 67.4 per cent of a SP-03's salary over the same period. A supplementary allowance below 67.4 per cent would result in cost saving for the Employer but conversely in a significant monetary concession for our members. If the Union were to agree to the Employer proposal of a 55.8 per cent allowance, by using the above example, an employee classified as a SP-03 would see overall compensation reduced by $7100 over a 61-week period.

EXTENDED PARENTAL ALLOWANCE UNDER THE EMPLOYER PROPOSAL FOR AN EMPLOYEE CLASSIFIED AS A SP-03

	Weekly Rate of Pay (maximum)	Weekly EI Benefit (33%)	ER SUB	Weekly ER SUB Cost	EE Weekly Total Remuneration
61 weeks	$1001.11	$330.37	22.8%	$228.25	$558.62

	Salary	Weeks	ER Overall SUB Cost	EE Overall Remuneration	EE Overall Remuneration Loss
61 weeks	**55.8%**	**61**	**$13,923.44**	**$34,076.01**	**-$7,099.65**

Contrary to the Employer proposal, the PSAC is looking to negotiate improvements to the parental leave provision for our members. The changes implemented by the government fell short and did not increase the actual value of employment insurance benefits for employees who take the extended parental leave. Instead, the government is spreading 12 months' worth of benefits over 18 months. Nevertheless, the federal public service is in a unique position to bring about positive changes. A recent study of the federal public service's influence on the Canadian economy found that federal public service jobs have a meaningful impact on our society. One of the key conclusions of the study was on the contribution of the federal public service to eliminating gender inequality and helping close the employment gap between men and women.[26] In a statement, former Status of Women Minister Maryam Monsef highlighted the main objectives of the changes to the EI parental benefits: "*Encouraging all parents to be engaged in full-time caregiving for their infants will help to create greater financial security for women and stronger bonds between parents and their babies*."[27] Then again, there is still room for improvement as, in

[26] The Public Services: an important driver of Canada's Economy, Institut de Recherche d'Informations Socioéconomiques (IRIS), September 2019, https://cdn.irisrecherche.qc.ca/uploads/publication/file/Public_Service_WEB.pdf

[27] 'Use-it-or-lose-it' extended parental leave coming in 2019, CTV News, September 26, 2018 https://www.ctvnews.ca/canada/use-it-or-lose-it-extended-parental-leave-coming-in-2019-1.4110069

comparison to other OECD countries, Canada's paid parental leave places us in the middle in terms of paid time parents have away from work.[28]

Furthermore, an extended leave at 55.8 per cent of income for parents is also not an adequate substitute for a high quality, accessible child care system. In its 2016 reform proposal on maternity and parental EI benefits, the Child Care Association of Canada (CCAC) explained that the extended parental leave coverage would be attractive for parents because affordable child care for children under 18 months is very limited. The Canadian Centre for Policy Alternatives' (CCPA) 2014 study of Child Care fees in Canada's large cities also echoed a similar conclusion. Their findings report that ''*infant spaces (under 1.5 years) are the hardest to find and the most expensive. The number licensed spaces for infants is the lowest of the three age categories.*''.

Most parents who choose an extended leave do so because they cannot find openings nor afford to put their infant in child care if they were to return to work after 12 months. CCPA's report finds that ''*the high cost of providing infant care means that many centres are unable to sustain it while many families cannot afford full-infant fees''* and that parents working in large cities such as Toronto are faced with a median full-day infant child care fees of $1,676 a month.

Once again, our objective is to extend the current 12 months of maternity and parental leave top up to the full 18-month period and at one hundred percent of earnings. Employers are meant to gain from this program since employees are enticed to return to the same employer, which helps retain experienced employees and reduce retraining or new hiring. Indeed, the Union would submit that our proposal for a supplementary allowance is not only beneficial to our members but would also help the Employer with the retention of employees. Statistics Canada's study of employer "top-ups'' concluded that,

[28] Length of maternity leave, parental leave, and paid father-specific leave, OECD, https://stats.oecd.org/index.aspx?queryid=54760

in the case of maternity and parental leaves, "*almost all women with top-ups return to work and to the same employer.*"[29]The Union submits that parental leave income replacement should be seen as a competitive factor which helps them attract and retain employees.

For all the reasons above, the Union respectfully requests that the Commission include the Union's proposals for Article 40 in its recommendations.

[29] Statistics Canada, Employer top-ups, by Katherine Marshall, https://www150.statcan.gc.ca/n1/pub/75-001-x/2010102/article/11120-eng.htm#a2
Statistiques Canada, Prestations complémentaires versées par l'employeur, par Katherine Marshall, https://www150.statcan.gc.ca/t1/tbl1/fr/tv.action?pid=1110002801&request_locale=

ARTICLE 42
LEAVE WITH PAY FOR FAMILY RELATED RESPONSIBILITIES

42.01 (a) The total leave with pay which may be granted under **42.02** ~~this Article~~ shall not exceed **seventy-five (75)** hours in a fiscal year.

(b) Any leave not used in a fiscal year shall be carried forward and made available to employees in the next fiscal year.

(c) Upon request of the employee, the supervisor may advance up to seventy-five (75) hours of leave under this article per fiscal year.

** 42.02 Subject to clause 42.01, the Employer shall grant leave with pay under the following circumstances:

a) to take a family member for medical or dental appointments, or for appointments with school authorities or adoption agencies, ~~if the supervisor was notified of the appointment as far in advance as possible~~;

b) to provide for the ~~immediate and temporary~~ care of a sick member of the employee's family and to provide an employee with time to make alternate care arrangements where the illness is of a longer duration;

c) for the care of a sick member of the employee's family who is hospitalized;

d) to provide for the ~~immediate and temporary~~ care of an elderly member of the employee's family;

e) ~~for needs directly related to the birth or to the adoption of the employee's child;~~

f) to provide time to allow the employee to make alternate arrangements in the event of fire or flooding to the employee's residence;

g) to provide for the immediate and temporary care of a child where, ~~due to unforeseen circumstances,~~ usual childcare arrangements are unavailable. This also applies to ~~unexpected~~ school closures, **bus cancellations, school strikes, day-care closures or strikes** for children aged fourteen (14) and under, or to children over the age of fourteen (14) who have special needs;

h) to visit a terminally ill family member

i) **fifteen (15)** hours out of the **seventy-five (75)** hours stipulated in this clause may be used:

(a) to attend school functions, if the supervisor was notified of the functions as far in advance as possible;

(b) to attend an appointment with a legal or paralegal representative for non-employment related matters, or with a financial or other professional representative, if the supervisor was notified of the appointment as far in advance as possible.

42.03 An additional 5 days of leave with pay shall be granted to an employee for needs directly related to the birth or to the adoption of the employee's child.

RATIONALE

The Union has three key proposals in this Article.

The Union is seeking to increase the amount of family-related responsibility leave available to employees to 75 hours annually from 45 hours as well as the removal of some of the restrictive language to allow for more flexibility in how employees can use these hours.

The pressure on workers to care for family while juggling full-time jobs has increased in recent years and the current quantum is insufficient to meet the needs of employees.

Economic and societal trends that have emerged over the past few decades have led to workers in Canada having children later than previously. Indeed, according to many economists, as described in a study by Mills et al. 2015:

"A second set of arguments, primarily made by economists, links early child bearing to a high motherhood 'wage penalty' and demonstrates that postponement of motherhood results in substantial increases in earnings, particularly for higher educated women and those in professional occupations." (Exhibit B59)

This, coupled with other factors such as an aging demographic, children staying in the household as dependents longer than previously, and families having fewer children to share in the care of elderly family members, has led to an increase in caregiver responsibilities, the outcome of which has been termed "the sandwich generation".

Current societal trends do not suggest that this phenomenon is going to reverse.

In 2011-2013, Dr. Linda Duxbury of Carleton University's Sprott School of Business, and Dr. Christopher Higgins of the University of Western Ontario's Ivey School of Business conducted a study of more than 25,000 employed Canadians which focused on the work-life experiences of employed caregivers. (Exhibit B60)
Among their findings were:

- Of the 25,021 employees surveyed, 25 percent to 35 percent are balancing work, caregiving and/or childcare. Sixty percent of those in the caregiver sample are in the sandwich group.
- Forty percent of the 25,021 employees in the survey sample reported high levels of overload both at work and at home. Employees in the sandwich group reported the highest levels of overload. Employees in the caregiver sample stated that they cope with conflict between work and caregiving by bringing work home and giving up on sleep, personal time and social life — strategies that put them at higher risk of experiencing burnout and stress.

One of the recommendations of this major study is that employers provide more flexibility in work hours and leave.

A review in Statistic Canada's 2004 Labour and Income publication also recognized the presence of a sandwich generation in Canada and described its impact:
However, caregiving often leaves little time for social activities or holidays. More than a third found it necessary to curtail social activities, and a quarter had to change holiday plans. Often a call for help can come in the night and the caregiver must leave the house to provide assistance. Some 13 percent experienced a change in sleep patterns, and the same percentage felt their health affected in some way. While 1 in 10 sandwiched workers lost income, 4 in 10 incurred extra expenses such as renting medical equipment or purchasing cell phones. (Exhibit B61)

Also, under this Article, the Union is seeking to include "to visit with a terminally ill family member" in the list of circumstances under which the Employer shall grant the employee leave with pay. In the course of a family member's medical illness, a person may reach the stage of being considered terminally ill and be placed under palliative care. In such circumstances, an employee may wish to spend final moments with the family member whose life will soon come to an end. The Article currently allows for family-related leave in circumstances involving care only. The Union is seeking explicit language that provides for visitation of a terminally ill relative so that this specific situation is not left open to differing interpretations of regarding the provision of care.

Lastly, with respect to 42.03, the Union submits that care for a newborn or newly-adopted child is a life-changing event that almost inevitably requires several days of adjustment. The material outcome of the current language is that an employee who welcomes a new child into the family ends up losing virtually all of their family-related responsibility leave as a result. The Union's proposal would rectify this and ensure that employees get the time they need for such events.

Bargaining demands from our membership consistently identify improvements to family-related responsibility leave provisions as a high priority. Given that the studies also demonstrate that employees are experiencing increased pressures due to caregiving responsibilities, we respectfully ask the Commission to recommend an increase in the amount of family-related leave available to our members.

ARTICLE 43
LEAVE WITHOUT PAY FOR PERSONAL NEEDS

43.01 Leave without pay will be granted for personal needs in the following manner:

(a) subject to operational requirements, leave without pay for a period of up to three (3) months will be granted to an employee for personal needs;

(b) subject to operational requirements, leave without pay for more than three (3) months but not exceeding one (1) year will be granted to an employee for personal needs;

(c) an employee is entitled to leave without pay for personal needs only once **in every ten (10) year period** under each of paragraphs (a) and (b) during the employee's total period of employment in the public service. Leave without pay granted under this clause may not be used in combination with maternity or parental leave without the consent of the Employer.

RATIONALE

The Union is seeking to increase the number of times an employee can have access to the leave without pay for personal needs already available to employees. This proposal is built upon the existing language in the CRA-PIPSC collective agreement for the Audit, Financial and Scientific group. Under the CRA-PIPSC collective agreement workers are entitled to both leave without pay for personal needs twice during the employee's total period of employment (Exhibit B62).

The Union believes that there is no justification for CRA to provide superior leave provisions to similar employees within the Agency when compared to those enjoyed by employees of this bargaining unit. We respectfully request that the Commission recommend our proposal.

ARTICLE 46
BEREAVEMENT LEAVE WITH PAY

46.01

(a) When a member of the employee's family dies, an employee shall be entitled to ~~a~~ bereavement leave with pay ~~period of seven (7) consecutive calendar days~~. Such bereavement leave ~~period~~, as determined by the employee, must include the day of the memorial commemorating the deceased, or must begin within two (2) days following the death. During such period, the employee shall be paid for those days which are not regularly scheduled days of rest for the employee. In addition, the employee may be granted up to three (3) days' leave with pay for the purpose of travel related to the death.

(b) At the request of the employee, such bereavement leave with pay may be taken in a single period of seven (7) consecutive calendar days or may be taken in two (2) periods to a maximum of five (5) working days.

(c) When requested to be taken in two (2) periods:

i. The first period must include the day of the memorial commemorating the deceased or must begin within two (2) days following the death, and

ii. The second period must be taken no later than twelve (12) months from the date of death for the purpose of attending a ceremony.

iii. The employee may be granted no more than three (3) days' leave with pay, in total, for the purposes of travel for these two (2) periods.

46.02 An employee is entitled to one (1) day's bereavement leave with pay for the purpose related to the death of their ~~or her son-in-law, daughter-in-law, brother-in-law, or sister-in-law~~ **aunt, uncle, or spouse's aunt and uncle.**

46.03 If, during a period of sick leave, vacation leave, or compensatory leave, an employee is bereaved in circumstances under which **they** ~~he or she~~ would have been eligible for bereavement leave with pay under clauses 46.01 and 46.02, the employee shall be granted bereavement leave with pay and **their** ~~his or her~~ paid leave credits shall be restored to the extent of any concurrent bereavement leave with pay granted.

46.04 It is recognized by the parties that the circumstances which call for leave in respect of bereavement are based on individual circumstances. On request, the Commissioner or delegated manager may, after considering the particular circumstances involved,

grant leave with pay for a period greater than and/or in a manner different than that provided for in clauses 46.01 and 46.02.

RATIONALE

The Union is proposing to add son-in-law, daughter-in-law, brother-in-law and sister-in-law into the Definition of Family in Article 2. Consequential to that, Article 46.02 would not apply to these family members.

However, the Union is also proposing to extend the classes of family members for whom an employee would be able to seek one day of leave with pay to grieve and administer bereavement responsibilities, to include aunt, uncle or spouse's aunt and uncle.

The public service is gradually expanding, as it should, to be more fully representative of Canadian society. As we have submitted in previous proposals, many public sector workers belong to cultures that revere and respect extended family kinships. In certain cultures, including indigenous societies, aunts and uncles and nieces and nephews are traditionally considered to be immediate and important family members.

In every recent round of bargaining, the input the Union has received from bargaining unit employees places a high emphasis on definition of family, family-related responsibility leave, and bereavement leave. The death of an aunt or uncle is a time when an employee may be grieving, administering bereavement responsibilities, paying last respects, helping a mother or father cope with the death of their brother or sister, or supporting an employee's own brother and sister as they attempt to cope with the loss of their child. This is a time of enormous difficulty and intense emotions for employees. It not a time for which vacation leave was contemplated.

The Union submits that employees should not be required to use vacation leave to attend the funeral of an aunt, uncle and respectfully requests that the Commission include this proposal in its recommendations.

ARTICLE 47
COURT LEAVE

47.01 The Employer shall grant leave with pay to an employee, **including travel time to and from the proceeding,** for the period of time he or she is compelled:

(a) to be available for jury selection;

(b) to serve on a jury;

(c) by subpoena or summons or other legal instrument to attend as a witness in any proceeding held:

(i) in or under the authority of a court of justice ~~or before a grand jury~~,

(ii) before a court, judge, justice, magistrate, or coroner,

(iii) before the Senate or House of Commons of Canada or a committee of the Senate or House of Commons otherwise than in the performance of the duties of the employee's position,

(iv) before a legislative council, legislative assembly or house of assembly, or any committee thereof that is authorized by law to compel the attendance of witnesses before it, or

(v) before an arbitrator or umpire or a person or body of persons authorized by law to make an inquiry and to compel the attendance of witnesses before it.

(d) to be a party to any proceeding listed in (c) (i) through (v) above.

RATIONALE

There have been instances where employees in the bargaining unit have needed to take court leave in order to participate in legal proceedings, but not necessarily for time required to travel to and from the proceedings. The employer has used 'for the period of time compelled' as a means to deny providing leave required to travel to the proceeding. The Union's proposal would ensure that employees would get the time they need to participate in legal proceedings, including all travel associated with such participation.

There have also been instances where the employer has denied Court Leave because the employer has argued that an employee may have been required to participate in a hearing or undertaking but did not somehow meet the criteria listed in the Article 47.01. The inclusion of the new d) as proposed by the Union would address these situations.

ARTICLE 52
PRE-RETIREMENT LEAVE

52.01 The Employer will provide thirty-seven decimal five (37.5) hours of paid leave per year~~, up to a maximum of one-hundred and eighty seven decimal five (187.5) hour~~s, to employees who have the combination of age and years of service to qualify for an immediate annuity without penalty under the *Public Service Superannuation Act.*

RATIONALE

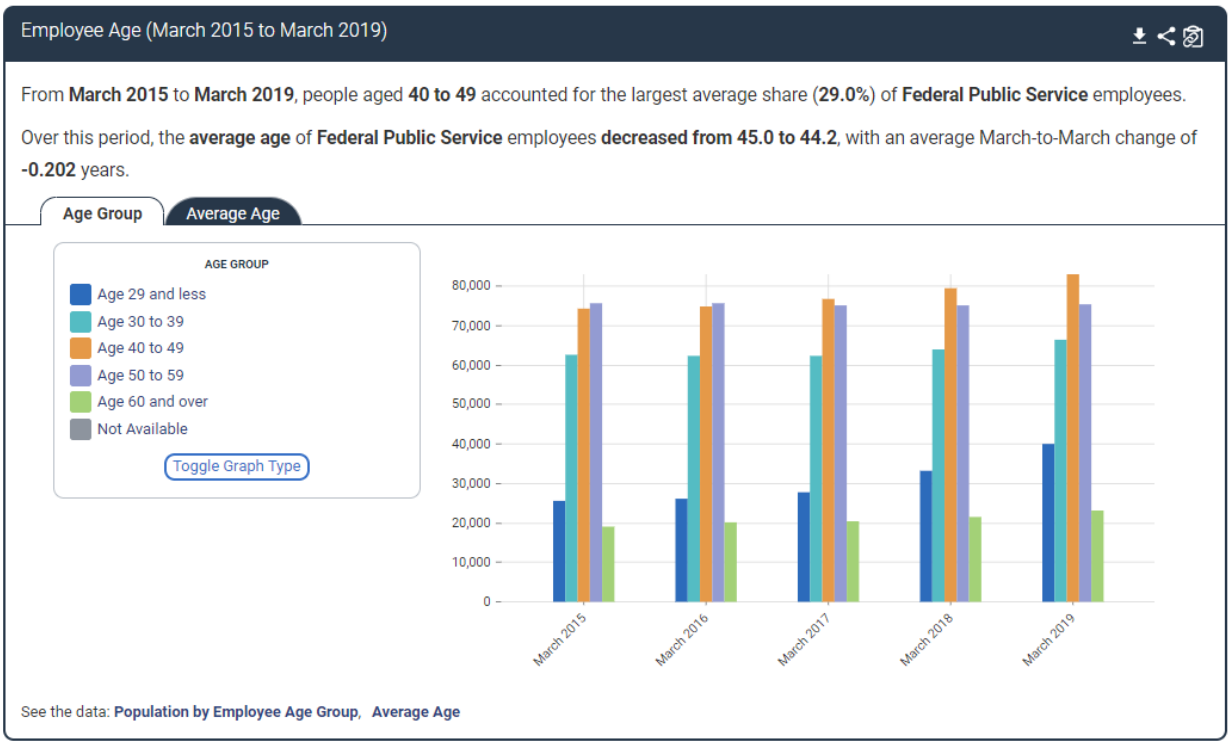
With this proposal, the Union seeks to provide increased flexibility to employees by helping them better balance their work and personal lives and more easily transition into retirement. This accommodates the needs and concerns of employees who are approaching retirement age with respect to their health matters, family responsibilities and personal fulfillment. The Employer will also benefit from this improved leave provision, as it will help to ease the coming wave of retirements from the public service. Offering employees tangible incentives, such as more paid leave, will help encourage older employees to remain in the workforce longer, allowing them to provide training and mentoring for new employees, and preserving their institutional memory for the organization.

The transition from full-time employment to complete retirement is a significant step in a worker's life. From the Employer's point of view, phased retirement programs are useful in retaining skilled older employees who would otherwise retire outright. Additional leaves of absence benefit older workers, not only in easing the transition to retirement, but also in balancing their work and family responsibilities, particularly if they must care for an aging spouse or elderly relative(s).

The Coming Retirement Tidal Wave

This issue will be important across the federal public service. While Table 1 identifies the average age in the federal public service at 44.2 years of age,[30] Tables 2 and 3 highlight the average age of each sub-group.

Table 1: Treasury Board Secretariat Infographic: Employment Age



These figures are consistent across each classification. This should be a source of concern for the Employer. The shrinking labour market results in more and more competition for skilled workers. With the large number of members nearing retirement age, members are looking for options to assist them with their transition into retirement and

[30] https://www.tbs-sct.gc.ca/ems-sgd/edb-bdd/index-eng.html#orgs/gov/gov/infograph/people

help them balance their work/life needs. The Employer will also require solutions to help retain the workforce and minimize the impacts of the impending retirement tidal wave.

CRA (Source: CRA Demographic Data, November 1st, 2016)

50-59	60+	Above 50
32.36%	8.64%	41.00%

Current Provisions

The CRA currently has a Pre-retirement Leave, where employees can benefit from additional time away from the workplace without experiencing a precipitous drop in pay. The Union proposes to extend this provision by removing the cap. At a time when there is every indication that a massive wave of retirements is imminent, it is imperative to ensure that the Employer introduces enticements for employees to stay longer and to impart the corporate memory to the newer employees.

The PSAC submits that a pre-retirement leave entitlement benefits both the Employer and the employee. It provides employees with an easier transition to retirement. And it increases the ability of the Employer to retain long-serving employees at a time when a large proportion of these employees are approaching retirement.

ARTICLE 53
LEAVE WITH OR WITHOUT PAY FOR OTHER REASONS

53.xx

Upon request, an employee shall be granted leave with pay for medical or dental appointments and fertility treatments. Additionally, employees shall also be granted leave with pay for actual travel time required to travel to and from the appointments.

53.04 Compassionate Care Leave

(a) Both parties recognize the importance of access to leave to provide care or support to a gravely ill family member with a significant risk of death.

~~(b) For the purpose of this Article, family is defined as any person who is a member of a class of persons prescribed for the purposes of the definition "family member" in subsection 23.1(1) of the Employment Insurance Act.~~

~~(c) Subject to clause (b), an employee shall be granted leave without pay for the compassionate care of family in accordance with the following conditions:~~

~~i. An employee shall notify the Employer in writing as far in advance as possible of the commencement date of such leave;~~

~~ii. An employee shall provide the Employer with a copy of a medical certificate as proof that the ill family member needs care or support and is at significant risk of death within twenty-six (26) weeks. A certificate from another medical practitioner, such as a nurse practitioner, is acceptable when the gravely ill family member is in a geographic location where treatment by a medical doctor is limited or not accessible, and a medical doctor has authorized the other medical practitioner to treat the ill family member;~~

~~iii. A "Medical Certificate for Employment Insurance Compassionate Care Benefits" completed for the purpose of benefit entitlement under the Employment Insurance Act will be considered as meeting the requirements of paragraph (ii).~~

~~(d) Leave granted under this article for the purpose of providing care or support to that gravely ill family member shall be for a minimum period of one (1) week and a maximum period of eight (8) weeks.~~

(b) Notwithstanding the definition of "family" found in clause 2.01 and notwithstanding paragraphs 41.02(b) and (d) above, an employee who provides the Employer with proof that he or she is in receipt of or awaiting Employment Insurance (EI) Compassionate Care Benefits may be granted leave for periods of less than three (3) weeks while in receipt of or awaiting these benefits.

(c) Leave granted under this clause may exceed the five (5) year maximum provided in paragraph 41.02(c) above only for the periods where the employee provides the Employer with proof that he or she is in receipt of or awaiting Employment Insurance (EI) Compassionate Care Benefits.

(d) When notified, an employee who was awaiting benefits must provide the Employer with proof that the request for Employment Insurance (EI) Compassionate Care Benefits has been accepted.

(e) When an employee is notified that their request for Employment Insurance (EI) Compassionate Care Benefits has been denied, clauses 42.01 and 42.02 above cease to apply.

1. To ensure Compassionate Care is topped-up to 100% upon the receipt of EI benefits.

2. That the leave may be divided into several periods.

3. That any monies earned during the period of the allowance payment not be deducted from the top-up.

4. Include new family caregiver benefits with top up to 100% of income.

53.02 Personal Leave

~~Subject to operational requirements as determined by the Employer~~, ~~and with an advance notice of at least five (5) working days,~~ The employee shall be granted, in each fiscal year, up to ~~fifteen (15)~~ **twenty-two and one-half (22.5)** hours of leave with pay for reasons of a personal nature.

If an employee becomes ill during a period of personal leave and notifies the employer, the employee will be granted sick leave with pay and unused personal leave will be credited for use at a later date.

The leave will be scheduled at times convenient to both the employee and the Employer. Nevertheless, the Employer shall make every reasonable effort to grant the leaves at such times as the employee may request.

53.xx Medical Certificate

a) In all cases, a medical certificate provided by a legally qualified medical practitioner shall be considered as meeting the requirements of paragraph 35.03(a).

b) When an employee is asked to provide a medical certificate by the Employer, the employee shall be reimbursed by the Employer for all costs associated with obtaining the certificate. Employees required to provide a medical certificate shall also be granted leave with pay for all time associated with the obtaining of said certificate.

RATIONALE

The Union's proposals for Article 53 are designed to ensure consistency in terms of the application of certain practices across the bargaining unit and to improve upon measures agreed to by the parties in the previous round of bargaining with respect to work-life balance.

Medical or Dental Appointment

With respect to medical and dental appointments, the Union's proposal is intended to ensure that the employer's long-standing practice of providing paid time for such matters is both protected and expanded upon.

At present the employer's policy is that employees are provided a maximum of 3.75 hours paid leave for medical and dental appointments that are initial, diagnostic or routine in nature. However, for follow up appointment's employees are required to use their sick

leave. In addition, any time beyond 3.75 hours for a given appointment is not covered and therefore is to be charged from the employees' sick leave bank. (Exhibit B63)

There are problems with the current policy. First, the current policy states that whether or not an employee is provided the 3.75 hours is "at management's discretion". Second, it does not provide paid time for follow-up appointments. Third, there are instances where 3.75 hours may be an insufficient amount of time, particularly for those employees that live in large urban areas. Fourth, there are ambiguities under the current policy. For example, with respect to the Agency's Employee Assistance Program (EAP), the policy states that certain appointments associated with EAP assessment "may" be authorized as time off with pay for medical appointments, and while there is a cap at 3.75 hours for other medical or dental appointments, the policy concerning time for EAP appointments suggests that this cap may be waved. It is not clear. (Exhibit B64)

What's more, the current practice is captured in a written policy and not the parties' agreement, and is therefore vulnerable to alteration or even elimination at some point in the future.

The Union's proposal would address all of these problems. It would ensure consistency in terms of application. It would ensure that the practice of providing paid time for medical and dental appointments is respected and maintained. It would ensure that employees have the time that they need to see a medical or dental practitioner. It would ensure that employees that must undergo on-going treatment or therapy are not penalized. Lastly, the Union has acted in good faith by including language in its proposal that requires that employees make every reasonable effort to schedule medical and dental appointments outside of their working hours. Thus, the only time employees would have access to this leave is when they effectively have no alternative.

Of note, the FPSLRB rendered interest arbitration awards for several groups at the House of Commons in which the provision of paid time for medical and dental appointments was enshrined into the parties' collective agreement (Exhibit B65).

Compassionate Care Leave

Concerning the changes proposed in 53.04, the Union would like to see amendments to mirror the changes brought about by the 2016 Review of the EI system.[31]
The Union also believe there is a crucial need for a supplementary allowance for workers in receipt of or awaiting Employment Insurance (EI) benefits for Caregiver Benefits. The Union proposes an allowance for the difference between EI benefits and one hundred per cent of the employee's weekly rate of pay. This supplementary allowance would cover the entirety of the period during when the employee is in receipt of the EI benefits.

Providing care or support to a loved one who is experiencing a terminal illness, life-threatening injury or approaching end of life can be a very difficult experience. Having the proper support from your employer can make a tremendous difference in easing those difficulties. Even if a worker is eligible to receive EI benefits, caring for a gravely ill family member can jeopardize an individual's or a family's financial stability. Having to choose between a living wage and caring for their family member may act as a deterrent to the employee accessing such leave, especially for a family or household consisting of a single-income earner. According to the latest data available, there are more than three million families in Canada which identify as a single-income earner or lone-parent earner and the number of these families has grown by more than 64,000 between 2015 and 2017[32].

[31] Employment Insurance –Recent Improvements & Overview, Employment & Social Development Canada, https://www.canada.ca/en/employment-social-development/programs/results/employment-insurance.html
Programme de l'assurance-emploi –Récentes améliorations et aperçu. Emploi et Développement social Canada, https://www.canada.ca/fr/emploi-developpement-social/programmes/resultats/assurance-emploi.html
[32] Statistics Canada, Table: 11-10-0028-01 (formerly CANSIM 111-0020), Single-earner and dual-earner census families by number of children, https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1110002801
Statistique Canada, Tableau: 11-10-0028-01 (anciennement connu sous CANSIM 111-0020), Familles de recensement avec un ou deux soutiens selon le nombre d'enfants, https://www150.statcan.gc.ca/t1/tbl1/fr/tv.action?pid=1110002801&request_locale=fr

Moreover, remaining at work for financial reasons instead of taking care of a loved one is a difficult decision that could have a serious impact on an employee's mental health. This proposal is about support for the workers when they need it most.

The federal Supplemental Unemployment Benefit (SUB) Program was introduced in 1956 with the goal of subsidizing employees with Employment Insurance (EI) benefits while they are temporarily on a leave without pay. With EI replacing only 55 per cent of previous earnings, a SUB payment helps to further reduce the net loss of earnings. Employers are meant to gain from this program since employees are enticed to return to the same employer, which helps retain experienced employees and reduces the need for retraining or new hiring. Indeed, the Union would submit that our proposal for a supplementary allowance is not only beneficial to our members but would also help the Employer with the retention of employees. Statistics Canada's study of employer "top-ups'' concluded that, in the case of maternity and parental leaves, "*almost all women with top-ups return to work and to the same employer."*[33] The Union submits that an employer supplementary allowance for compassionate care and caregiver leave acts as a strong incentive for all employees, to not only return to the workforce after a difficult period, but also stay with the same employer.

The Union's proposal for a supplementary allowance is also predicated upon what has already been established elsewhere within the federal public administration. In a recent settlement, the PSAC and the National Battlefields Commission, a federal agency under the *Financial Administration Act*, have agreed on an even more extensive supplementary allowance of 26 weeks for employees who are granted a leave without pay for compassionate care and caregiver leave (Exhibit B66).

[33] Statistics Canada, Employer top-ups, by Katherine Marshall, https://www150.statcan.gc.ca/n1/pub/75-001-x/2010102/article/11120-eng.htm#a2
Statistiques Canada, Prestations complémentaires versées par l'employeur, par Katherine Marshall, https://www150.statcan.gc.ca/t1/tbl1/fr/tv.action?pid=1110002801&request_locale=fr

For all the reasons above, the Union respectfully requests that the Commission include the Union's proposals for 53.04 in its recommendation.

Personal Leave

With respect to 53.02, the Union is proposing an additional day of leave for reasons of a personal nature be afforded employees. The CRA states on its website it supports enhanced work-life balance for its employees:

> *We realize that life doesn't always follow a 9 to 5 schedule, and at the CRA we want our employees to enjoy flexibility that fits their lifestyle: on and off the job. Our family-friendly policies […] and leave provisions help our employees integrate their personal and professional lives[34].*

An additional day of personal leave would represent a significant gesture on the part of the Agency in demonstrating its commitment in helping its employees in achieving that balance.

Medical Certificate

Lastly, in 53.XX, the Union is proposing that a medical certificate provided by a legally qualified medical practitioner shall be considered as meeting the requirements of paragraph 35.03(a). Recognizing that health practitioners and professionals are regulated, legislated and defined differently in every province, any attempt to define "health practitioner" must not be structured in a way that puts undue hardship on workers. Not all workers have access to the same range of health practitioners, and not all situations require the same care, diagnosis or treatment. If a qualified medical practitioner provides a note that is appropriate and reasonable to the worker's situation the leave or accommodation should not be denied.

[34] Careers at the CRA – 1. Why work with us: https://www.canada.ca/en/revenue agency/corporate/careers-cra/careers-cra-1-why-work-us.html

Treasury Board has agreed to language that would protect against Employer abuses in this regard. As part of the new Employee Wellness Support Program (EWSP) currently being negotiated, between a number of federal public sector unions (PIPSC, IBEW, ACFO, CAPE) and Treasury Board, both sides have agreed on a common definition for a medical practitioner. This new definition reads as follows:

> *A physician, psychiatrist, dentist, or a nurse practitioner, in accordance with provincial or territorial laws and regulations, who is qualified to diagnose an illness or injury, and determine and/or provide medically necessary procedures or treatment to an employee for an illness or injury, and who is currently registered with a college or governing body to practice in their field.*

The language contained in Article 35 of the parties' current collective agreement provides the Employer with excessive and unnecessary flexibility. As a result of the language in the current 35.03 (a), certain managers have taken the position that a medical certificate from a legally qualified medical practitioner is insufficient proof of employee illness, and that instead employees must visit an occupational health professional from Health Canada to get a second opinion.

Furthermore, the Union is proposing that employees shall be reimbursed for the cost of any medical certificate required by the Employer. When the Collective Agreement was first negotiated, employees were seldom if ever charged for doctors' notes verifying illness. Times have changed, however, and the cost of obtaining a medical report or certificate varies widely and can be significant. While doctors' notes can be important when there is a major medical condition requiring workplace accommodation, a significant number of notes are written to excuse absences for minor illnesses. This is widely acknowledged to be an employee management strategy, a way to reduce absenteeism by forcing the worker to "prove" his or her illness. However, those who cannot afford a medical note may then

attempt to work while ill or unfit to work, risking their own and others' health and safety. This is a growing issue that needs to be addressed.

Similar language is contained in the three PSAC collective agreements with the House of Commons, stemming from a 2010 FPSLREB arbitral award (485-HC-45). Similar language was also awarded by the Board in interest arbitration for PSAC members at the Senate of Canada (FPSLREB 485-SC-51) and PSAC members at the Library of Canada in 2017 (Exhibit B67). Furthermore, after having presented its case to a Public Interest Commission with CFIA in 2013, the PIC agreed with the Union that the employers should reimburse employees for any medical certificate required by the Employer with the following rationale:

> *Given that it is at the employer's discretion to request a medical certificate, the PIC recommends that the collective agreement be amended to provide for reimbursement for any medical certificate required by the employer to a maximum of $35*. (Exhibit B68)

In the case of the leave for medical and dental appointments, the Union's proposals are modeled on long-standing practices of the employer, while the Union's proposal for additional personal day is consistent with the Agency's commitment to work-life balance for its employees. Concerning medical certificates, the Union is simply proposing that the standards that currently exist for other federal workers and that have been deemed reasonable by arbitrators be put in place for workers in the core public administration. Thus, the Union respectfully requests that its proposals be included in the Board's award.

ARTICLE XX
ALTERNATIVE WORKING ARRANGEMENTS

XX.01 Upon request of an employee, said employee shall be allowed to work from their residence where the suitability standards described below are met:

a) The employee is able to provide, if required, a data and/or communications connection;

b) The employee is able to provide a dedicated workplace to perform the duties as assigned by the employer. Said workplace may be viewed by the employer with 48 hours notice to ensure that the space meets the security and health and safety requirements of the employer;

c) The employee shall ensure the protection and security of the employer's data and information;

d) The employee shall not be responsible for any additional costs as a result of telework;

e) Employee requests to avail themselves of the options provided for under this article shall be not unreasonably denied.

RATIONALE

The Treasury Board Secretariat has a Telework Policy. It states that:

> "Flexibility in the workplace to accommodate work, personal and family needs can result in benefits to organizations such as:
>
> - a competitive edge for attracting and retaining highly skilled individuals;
> - reduced levels of employee stress and conflict;
> - higher levels of productivity and reduced absenteeism;
> - higher levels of employee satisfaction and motivation;
> - a more satisfying work environment;
> - ability to accommodate employment related needs for employment equity designated group members."
>
> The impact of flexible work arrangements can also reach beyond the benefits derived by the organization and contribute to the development of a sustainable society. For example, opportunities for

> reducing traffic congestion and air pollution and for supporting regional economic development can be realized at the same time the employer's objectives are met.

The Treasury Board policy also states that:

> "The employer recognizes the opportunities that a flexible working arrangement such as the telework option can present, and encourages departments to implement telework arrangements where it is economically and operationally feasible to do so, and in a fair, equitable and transparent manner." (Exhibit B69)

The benefits of telework are well documented. For example, a 2010 study conducted by the Government of Canada states that:

> *Telework offers significant benefits to individual employees, their employers and their communities. There are also challenges to successful telework, but there are few that cannot be overcome through careful program planning and implementation. Canadian governments have been less proactive in enabling and promoting telework than those in the United States. There are supportive initiatives in place in several Canadian municipalities, with the City of Calgary as a leading example. Non-governmental organizations are also active in raising awareness of telework benefits and best practices among Canadian employers. One Canadian company has emerged as a world leader in telework. Nortel Networks has made flexible work arrangements a priority, and has reported significant benefits in terms of employee productivity and real estate efficiencies. (*Exhibit B70*)*

The same study then goes on to list a number of benefits for employees, employers and communities. These include:

- Better work-life balance and productivity
- Time savings (avoiding a commute allows for time that can be better used for employee or corporate benefit)

- Better employment opportunities for persons with disabilities
- Better employment opportunities for residents of remote communities
- Greater employee motivation and productivity
- Enhanced employee recruitment and retention
- Reduced need for office space and parking spaces
- Reduced employee relocation needs
- Reduced travel demands and vehicular emissions
- Flexibility for responding to security, energy, weather or construction events
- Improved ability to keep or attract residents to rural or satellite communities.

Thus, it is clear that the Government of Canada has recognized the benefits of telework for employees, employers and communities. This is reflected in the Telework Policy and reinforced by the aforementioned study put out by Transport Canada in the summer of 2010.

Yet, despite all of the data pointing to the benefits associated with telework, and despite the Treasury Board's commitment to promote telework its policy, there is nothing in the CRA policy concerning Telework that encourages employee teleworking. On the contrary, one of the very first lines in the CRA telework policy states as follows:

> "Unless it is a condition of employment, participating in a telework arrangement should **not be viewed as a right and is left to management's discretion for approval on a case by case basis".** (Exhibit B71)

Thus, while the Treasury Board policy speaks at the outset directly to the benefits of telework and the need for departments to encourage telework, the CRA policy makes no such statements and instead makes it clear that whether or not one teleworks is

exclusively at management's discretion. What's more, the CRA policy then produces a long list of conditions that must be met before it can be considered by a manager. (Exhibit B71)

In light of these facts, it should not be a surprise to anyone that access to telework arrangements has been difficult for many employees at the CRA; and indeed, it is not unusual for managers to provide no rationale as to why such requests are denied.

The Union recognizes that there are situations where telework is not feasible. It is for this reason that its proposal states suitability standards. However, where it is operationally feasible, the Union submits that it can and should be made available to employees. The employer has stated in negotiations and in other forum that it is experiencing challenges with office space for employees. The Government of Canada has stated repeatedly that it believes teleworking arrangements are positive for employees and the government.

As such, the Union respectfully requests that its proposal concerning telework be included in the Commission's recommendation, so that employees may not be unreasonably denied opportunities to avail themselves of teleworking opportunities.

ARTICLE 62
PAY ADMINISTRATION

62.02 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.

(c) should the employer fail to pay the employee as prescribed in (a) or (b) above on the specified pay date, the employer shall, in addition to the pay, award the employee the Bank of Canada daily compounded interest rate.

Renumber 62.07(a) to 62.07(a)(i)

New 62.07(a)(ii)

When an employee is required by the employer to substantially perform the duties of a higher classification level in an acting capacity during the original acting assignment or immediately following the initial acting assignment, the employee shall be paid acting pay calculated from the date immediately preceding the subsequent acting assignment as if the employee had been appointed to the position.

An employee shall receive a pay increment after having reached 52 weeks of cumulative service with the employer, at the same occupational group and level or at a higher level.

The purposes of this clause, ''cumulative service'' means all service, whether continuous or discontinuous.

RATIONALE

Under Article 62.02 the Union proposes to include new language which would pay interest at the Bank of Canada overnight rate to an employee for the entirety of the time that their

pay issues have not been resolved. As many as one in three PSAC members affected by Phoenix has incurred out-of-pocket expenses as a result of the debacle resulting from a faulty pay system introduced by the Employer. Several employees have experienced severe personal or financial hardship due to Phoenix. As per the 2018 Public Service Employee Survey Results, 70 per cent of public service workers have been affected to some extent by issues with the Phoenix pay system[35].

As with many other overdue payments, the Union suggests that a daily compounded interest rate is a sensible outcome for employees being without pay. Employees may have missed opportunities to earn interest either in their savings accounts or other on investments and should not be further penalized. Furthermore, the Union believes that this should not only apply to Phoenix-related issues, but also to any future payment delays. It is still unclear what will happen with the pay system in the future but regardless of the circumstances, the Union submits that penalties for late payments should be enshrined in the Collective Agreement. No employee should suffer financial penalties or losses because of the Employer issuing improper pay.

With respect to Article 62.07, the current language states that an employee only receives acting pay after working in an acting assignment for three or more days or shifts. What this has meant in practice is that an employee may work for two days in an acting assignment, taking on the responsibilities associated with the position, and not receive any additional compensation for it. Indeed, the employee would not receive compensation commensurate with the job being undertaken on behalf of the Employer.

Article 62.02 of the parties' current agreement states that:

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

[35] Treasury Board of Canada Secretariat, 2018 Public Service Employee Survey: https://www.tbs-sct.gc.ca/pses-saff/2018/results-resultats/bq-pq/00/org-eng.aspx

(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.

The Union submits that the three-day threshold contained in the current Article 62.07 is inconsistent with the current Article 62.02, in that an employee working in an acting assignment under the current language for two days is not being "paid for services rendered". The Union's proposal would rectify this inconsistency and ensure that employees asked to perform duties in a higher classification are paid accordingly.

NEW ARTICLE
DOMESTIC VIOLENCE LEAVE

XX:01 The Employer recognizes that employees sometimes face situations of violence or abuse, which may be physical, emotional or psychological, in their domestic lives that may affect their attendance and performance at work.

XX:02 Employees experiencing domestic violence will be able to access ten (10) days of paid leave for attendance at medical appointments, legal proceedings and any other necessary activities. This leave will be in addition to existing leave entitlements and may be taken as consecutive or single days or as a fraction of a day, without prior approval.

XX:03 The Employer agrees that no adverse action will be taken against an employee if their attendance or performance at work suffers as a result of experiencing domestic violence.

XX:04 The Employer will approve any reasonable request from an employee experiencing domestic violence for the following:

- Changes to their working hours or shift patterns;
- Job redesign, changes to duties or reduced workload;
- Job transfer to another location or department or business line;
- A change to their telephone number, email address, or call screening to avoid harassing contact; and
- Any other appropriate measure including those available under existing provisions for family-friendly and flexible working arrangements.

XX:05 All personal information concerning domestic violence will be kept confidential in accordance with relevant legislation, and shall not be disclosed to any other party without the employee's express written agreement. No information on domestic violence will be kept on an employee's personnel file without their express written agreement.

Workplace Policy

XX.06 The Employer will develop a workplace policy on preventing and addressing domestic violence at the workplace. The policy will be made accessible to all employees and will be reviewed annually. Such policy shall explain the appropriate

action to be taken in the event that an employee reports domestic violence or is perpetrating domestic violence, identify the process for reporting, risk assessments and safety planning, indicate available supports and protect employees' confidentiality and privacy while ensuring workplace safety for all.

Workplace supports and training

XX.07 The Employer will provide awareness training on domestic violence and its impacts on the workplace to all employees.

XX.08 The Employer will identify a contact in [Human Resources/Management] who will be trained in domestic violence and privacy issues for example: training in domestic violence risk assessment and risk management. The Employer will advertise the name of the designated domestic violence contact to all employees.

The Advocate

XX.09 The Employer and the Alliance recognize that employees who identify as women sometimes need to discuss with another woman matters such as violence or abuse or harassment, at home or in the workplace. Workers who are women may also need to find out about resources in the workplace or community to help them deal with these issues such as the EAP program, a women's shelter, or a counsellor.

XX.10 For these reasons, the parties agree to recognize the role of Advocate in the workplace.

XX.11 The Advocate will be determined by the Alliance. Employees who identify as women will have the right to have an Advocate who identifies as a woman.

XX.12 The Advocate will meet with workers as required and discuss problems with them and assist accordingly, referring them to the appropriate agency when necessary.

XX.13 The Employer will provide access to a private office in order for the Advocate to meet with employees confidentially and will provide access to a confidential telephone line and voice mail that is maintained by the Advocate and accessible to all employees in the workplace. The Advocate will also have access to a management support person to assist her or him in their role when necessary.

XX.14 The Employer and the Alliance will develop appropriate communications to inform all employees of the advocacy role of the Advocate and information on how to contact her or him.

XX.15 The Advocate will participate in an initial basic training and an annual update training program to be delivered by the Alliance. The Employer agrees that leave for such training shall be with pay and will cover reasonable expenses associated with such training, such as lodging, transportation and meals.

XX.16 Employees that are named as Advocate shall be granted leave with pay to carry out the duties associated with acting as an Advocate.

XX.17 No employee shall be prevented from accessing the service of the Advocate or of becoming an Advocate once named by the Alliance.

RATIONALE

Domestic violence is a workplace issue: Research and Statistics

One-third (33.6%) of Canadian workers have experienced or are experiencing domestic violence (Exhibit B72)[36]. These experiences affect our members' lives, health, job security and financial resources, and have a negative impact on workplaces. Based on the 2014 Pan-Canadian Survey on Domestic Violence and the Workplace, 6.5 per cent of workers in Canada are currently experiencing domestic violence (Exhibit B72). This means out of the approximately 30,493 members of the bargaining unit, 1,982 of PSAC members from these groups are likely currently experiencing domestic violence, with approximately 10,063 members experiencing domestic violence at some point in their life.

Domestic violence has a clear impact on workers and workplaces, with nearly 54 per cent of cases of domestic violence continuing at or near the workplace (Exhibit B72). With an estimated 5,909 members currently experiencing domestic violence, this means that there are possibly 3,191 cases of domestic violence continuing at or near PA, TC, SV and EB workplaces. Based on the 2017 Canadian study investigating the impact of Domestic Violence Perpetration on Workers and Workplaces, where perpetrators were interviewed,

[36] It is important to note that these figures do not capture domestic abuse on children, meaning the impact of domestic violence on our members is likely more alarming, since figures from the 2014 Pan-Canadian Survey on Domestic Violence deal only with intimate partner violence.

71 per cent of perpetrators reported contacting their partner or ex-partner during work hours for the purpose of continuing the conflict, emotional abuse and/or monitoring (Exhibit B73). One third (34%) of perpetrators specifically report emotionally abusing and/or monitoring their partner or ex-partner during work hours. Of those who reported emotionally abusing their partner or ex-partner during work hours most used messages (calls, emails, texts; 92%) (Exhibit B73). Of those that reported they checked on and/or found out about the activities or whereabouts of their partner or ex-partner, over one-quarter reported that they went by their partners' or ex-partners workplace (27%) and/or their home or another place (29%) to monitor them (Exhibit B73).

Domestic violence is a complex problem with no simple, single solution. However, the union submits that enshrining robust measures in the Collective Agreement is an important step in supporting workers impacted by domestic violence, and functions to dismantle some of the stigma associated with domestic abuse that often leaves survivors dealing with abuse alone, in silence and without support (Exhibit B74). Anticipated stigma, the fear of not knowing whether stigmatization will occur if others knew about one's experiences of abuse, is a serious barrier that prevents survivors from seeking help (Exhibit B75). Strong collective agreement language sends a powerful message of support and understanding to survivors that their Union and Employer are working together to address domestic violence as not only a prevalent social problem but a significant workplace issue that will be compassionately dealt with via fair rules and trained individuals.

<u>Domestic violence is an equity issue</u>

Paid domestic violence leave days, protections and accommodations are provisions that all workers may need to use in their lives. However, it is important to note that domestic violence disproportionately impacts female workers, and in particular Indigenous workers, workers with disabilities and workers of the LGBTQ+ community. The Pan-Canadian survey results reveal that 38 per cent of women and 65 per cent of transgendered people

have experienced domestic violence (Exhibit B73). Negotiating domestic violence provisions into the Collective Agreement is not simply the right thing to do but it also ensures equity and fairness for vulnerable workers.

The cost of doing nothing

Evidence demonstrates that the cost of doing nothing outpaces the cost of domestic violence leave on employers, society and the economy at large. Domestic violence in Canada is estimated to cost $7.4 billion a year (Exhibit B76). According to the Department of Justice, spousal violence in Canada costs employers nearly $78-million due to direct and indirect impacts of domestic violence.[37] When costing this proposal, it is essential to estimate how much inaction will continue to cost Canadians and employers.

According to a 2013 World Bank study, there is a clear link between domestic violence and economic growth (Exhibit B77). They found that domestic violence is a significant drain on an economy's resources, and in their cross-country comparison they revealed how countries they examined lost between 1.27 per cent and 1.6 per cent of their GDP due to intimate partner violence. It is also important to recognize that the take-up rate for domestic violence leave remains low in countries that have implemented paid leave. In Australia, for example, the take-up rate is only 0.3 per cent and 1.5 per cent for men and women respectively (Exhibit B77). While costs to employers are "likely to be largely or completely offset by the benefits to employers", data from Australia shows that incremental wage payouts were equivalent to only 0.02 per cent of payroll (Exhibit B78). The Union submits that the costs of doing nothing needs to be considered when costing this proposal.

Impact on Performance: XX.01 and XX.03

[37] This figure is broken down into three main categories; lost productivity due to tardiness and distraction ($68M), lost output from victims' absences ($7.9M) and administration costs for victims' absences ($1.4M) (Exhibit XX.). According to the Justice Department of Canada, "in the event of the victim resigning or being dismissed, employers face recruitment and retraining costs, but such data for spousal violence cases do not exist and so these costs are not included in the [$78M] estimate".

Survivors of domestic violence report that the violence had an impact on their ability to concentrate at work, had a negative impact on their work performance and on absenteeism. Of those who reported experience with domestic violence, 82 per cent said that domestic violence negatively affected their work performance, most often due to being distracted, or feeling tired and/or unwell, as a result of trauma and stress (Exhibit 73). This reality needs to be an acknowledged and protective provisions outlined in the union's proposals at XX.01 and XX.03 are both reasonable and needed.

Treasury Board reached a settlement with CAPE's EC group in the most recent round of negotiations to include in the collective agreement an acknowledgement that experiencing domestic violence could impact productivity and agreed to language at 21.18 (e) that specifically outlines that there will be no reprisals against survivors. The collective agreement provision reads as follows:

> *"The Employer will protect the employees from adverse effects on the basis of their disclosure, experience, or perceived experience of domestic violence"* (Exhibit B79).

Nav Canada is another example of a large federal employer that has agreed to add this type of protective provision in their collective agreement, outlining how no adverse action will be taken against an employee if their performance at work suffers as a result of domestic violence (Exhibit B80).

> *28.17 Family Violence Leave*
>
> *The Employer recognizes that employees may face situations of violence or abuse, which may be physical, emotional, or psychological in their personal life that could affect their attendance and performance at work….*
>
> *f) The employer agrees that no adverse action will be taken against an employee if their attendance or performance at work suffers as a result of experiencing family violence in their personal life that could affect their attendance and performance at work.*

The Government of Northwest Territories also has collective agreement language acknowledging that domestic violence may affect employees' performance (Exhibit B81).

> *21.09 (1) The Employer recognizes that employees or their dependent child as defined in article 2.01(i) may face situations of violence or abuse in their personal life that may affect their attendance and performance at work.*

PSAC has also signed several Letters of Understanding for its members at Canadian Forces bases at Suffield, Trenton, Gagetown, Goose Bay and Petawawa acknowledging that domestic violence may affect performance and that employee's will be protected should their performance be impacted as a result of domestic violence. LOUs between the Parties read as follows:

> *"The Employer agrees to recognize that employees sometimes face situations of violence or abuse in their personal lives that may affect their attendance or performance at work. For that reason, the Employer and the bargaining agent agree that an employee's culpability in relation to performance issues or potential misconduct may be mitigated if the employee is dealing with an abusive or violent situation and the misconduct or performance issue can be linked to that abusive or violent situation."* (Exhibit B82)

Being employed is a key pathway to leaving a violent relationship. When those experiencing domestic violence know their jobs and incomes are secure and accommodations are available, significant structural barriers for survivors are removed making the dangerous tasks of leaving an abuser, avoiding an abuser, and seeking help easier.

Scope: XX.02

The Collective Agreement should be clear that employers should not deny domestic violence leave that is necessary for the health, safety and security of the worker. The Union's proposal at the end of XX.02 is clear that workers shall be granted leave for "any

necessary activities". There are a broad range of health, safety and security activities that a survivor may need paid leave time in order to address. A restrictive scope provisions would have unintended and potentially detrimental impacts on members who need access to paid leave to escape, avoid and deal with domestic violence.

The Government of the Northwest Territories recently agreed to domestic violence leave language that does not conflate domestic violence with intimate partner violence and appropriately outlines that employees can take paid leave for "any other necessary activities to support their health, safety and security" (Exhibit B80). These scope provisions are similar to other provincial employment standards on domestic violence.

Provincial employment standards that provide for domestic violence leave have broader and more realistic scope provisions than those being proposed by the Employer, and they align with the provisions submitted by the Union at XX.02. Provincial domestic violence provisions do not define domestic violence as requiring an element of current or past intimacy, and consistently allow workers to take domestic violence leave for any other necessary purpose (Exhibit B83).

Testimonial evidence collected in the 2014 Pan-Canadian survey reveal that survivors have a range of needs that require leave time and federal provisions ought to acknowledge this reality.

Accommodation: XX.04

The Union's proposal at XX.05 is based on the reality that domestic violence doesn't just stop when survivors get to work, and that leave is only one part of the solution. More than half of those who have experienced domestic violence say that at least one type of abusive act has occurred at or near the workplace. Of these, the most common were abusive phone calls or text messages (41%) and stalking or harassment near the

workplace (21%) (Exhibit 73). Providing employees with robust accommodation options such as changing their contact information, hours of work or shift pattern and work location are all ways in which workers can be more protected from violence in the workplace. Job transfer options and call screening options would also help survivors be safer at work. Job redesign or workload reduction are also measures that can help provide survivors with the support they need to continue to work while dealing with stressful, exhausting and violent situations beyond their control.

Domestic violence is an occupational health and safety issue. People reporting domestic violence have poorer general health, mental health and quality of life. This is especially the case for survivors who experience domestic violence near the workplace and those whose ability to get to work has been impeded by domestic violence. The more ways in which domestic violence occurred at or near the workplace, the poorer the respondent's health. Work may have protective effects for survivors of domestic violence so it's important that workplace accommodations be available to help support survivors.

Confidentiality XX.05

The Union submits that enshrining confidentiality language in the Collective Agreement is reasonable, is outlined in other collective agreements, and is already a minimum standard in some provincial jurisdictions (Exhibit B83).

The Government of Northwest Territories recently agreed to collective agreement language with the PSAC making it clear that personal information regarding domestic violence will be kept confidential and not shared without consent;

> *"All personal information concerning domestic violence will be kept confidential in accordance with relevant legislation and shall not be disclosed to any other party without the employee's written agreement".* (Exhibit B80)

Nav Canada recently agreed to confidentiality language in its collective agreement with the PSAC that outlines clear confidentiality rules that the Employer shall adhere to and makes clear that “no information shall be kept on an employee’s personnel file without their express written agreement”. These provisions read as follows:

> *28.17 Family Violence Leave*
>
> *(d) The Employer shall:*
>
> *(i) ensure confidentiality and privacy in respect of all matters that come to the Employer's knowledge in relation to a leave taken by an Employee under the provisions of the "Family Violence Leave" in this Collective Agreement; and*
>
> *(ii) identify a contact in Human Resources who will be trained in Family Violence and privacy issues. The Employer will advertise the name of the designated violence contact to all employees;*
>
> *(iii) not disclose information in relation to any person except*
>
> *1) to an employee as identified in d) ii) or agents who require the information to carry out their duties;*
>
> *2) as required by law; or*
>
> *3) with the consent of the Employee to whom the leave relates;*
>
> *(iv) take action to reduce or eliminate the risk of family workplace violence incidents;*
>
> *(v) promote a safe and supportive work environment;*
>
> *(vi) ensure employees receive required training including both awareness and confidentiality aspects; and*
>
> *(vii) follow the confidential reporting procedures.*
>
> (b) *No information shall be kept on an employee’s personnel file without their express written agreement*. (Exhibit B79)

Canada Post and CUPW signed a letter of agreement in 2018 outlining that a policy would be drafted by the Parties that would “protect employees’ confidentiality and privacy while ensuring workplace safety for all” (Exhibit B84). Canada Post’s 2019 booklet for

employees and team leaders specifically outlines that it is “essential to protect confidentiality” and “there is no requirement for the affected employee to provide documentation of any kind.” (Exhibit B85).

Workplace Policy, Training and Supports: XX.06, XX.07 and XX.08

Most employers (71%) report having a situation where they needed to protect a domestic violence survivor, yet there remains an unfortunate gap in training for employees (Exhibit B86). Employers and employees require basic training to be able to recognize the warning signs of domestic violence victimization and perpetration and respond safely and appropriately. If domestic violence occurs at work the employer is liable, and both parties have an interest in ensuring the creation of appropriate domestic violence policies and training. The Union would like to ensure appropriate training, supports and policies are developed.

Canada Post and CUPW reached an agreement in 2018 that is nearly identical to PSAC’s proposals at XX.07 regarding a workplace policy. As discussed above, the letter of agreement outlines that the parties shall draft a policy on preventing and addressing domestic violence in the workplace or affecting the workplace that shall be reviewed annually. The policy “shall explain appropriate actions to be taken in the event that an employee reports domestic violence. It shall also identify the process for reporting domestic violence, risk assessments and safety planning. The policy shall indicate available supports and protect employees’ confidentiality and privacy while ensuring workplace safety for all.” (Exhibit B84).

The Government of Northwest Territories recently agreed to collective agreement language that reads:

The Employer will develop a workplace policy on preventing and addressing domestic violence at the workplace. The policy will be made accessible to all employees. Such policy shall explain the appropriate action to be taken in the event that an employee reports domestic violence or is perpetrating domestic violence, identify the process for reporting, risk assessments and safety planning, indicate available supports and protect employees' confidentiality and privacy while ensuring workplace safety for all. The policy shall also address the issue of workplace accommodation for employees who have experienced domestic violence and include provisions for developing awareness through the training and education of employees".

This collective agreement language is in line with PSAC's proposals regarding developing a policy and training outlined in XX.06, XX.07 and XX.08.

Nav Canada language at 28.17 (d) (ii) is also similar to the Union's proposal at XX.08 that outlines a commitment to identify a human resources contact person who is trained in domestic violence and privacy issues. Nav Canada collective agreement language at 28.17 (d) (vi) also outlines a commitment to train employees on domestic violence that is consistent with the PSAC's proposal.

APPENDIX E
MEMORANDUM OF AGREEMENT WITH RESPECT TO IMPLEMENTATION OF THE COLLECTIVE AGREEMENT

This memorandum is to give effect to the understanding reached between the Employer and the Public Service Alliance of Canada in respect of the implementation period of the collective agreement.

The provisions of this collective agreement shall be implemented by the parties within a period of ~~one hundred and fifty (150)~~ **ninety (90)** days from the date of signing.

RATIONALE

The Public Service Labour Relations Act provides for a 90-day window for a collective agreement to be implemented (Exhibit 87). In good faith, the Union agreed in the last round of bargaining to a longer implementation period of 150 days. The PSAC is disappointed with the government's inability to meet reasonable implementation deadlines for its workers. This has been a reoccurring problem, as the government has struggled to meet its implementation deadlines for several other collective agreements due to Phoenix issues. At the onset, given the amount of time provided for under the law, the Union submits that its proposal is reasonable.

APPENDIX XX
MEMORANDUM OF UNDERSTANDING BETWEEN THE CANADA REVENUE AGENCY (HEREINAFTER CALLED THE EMPLOYER) AND THE PUBLIC SERVICE ALLIANCE OF CANADA UNION OF TAXATION EMPLOYEES (PSAC-UTE) IN RESPECT OF THE PROGRAM DELIVERY AND ADMINISTRATIVE SERVICES GROUP: RETENTION ALLOWANCE FOR EMPLOYEES INVOLVED WITH THE PERFORMANCE OF COMPENSATION DUTIES

1. In an effort to increase retention of all employees involved with the performance of compensation duties at the Agency, based at the Compensation Client Service Centres, the Employer will provide a "retention allowance" in the following amount and subject to the following conditions:

   (a) Commencing on the date of signing of this collective agreement all such employees shall be eligible to receive an allowance to be paid bi-weekly;

   (b) Employees shall be paid the daily amount shown below for each calendar day for which they are paid pursuant to Appendix A-1 of the collective agreement. This daily amount is equivalent to the annual amount set out below divided by two hundred and sixty decimal eight eight (260.88);

   Retention allowance

Annual	**Daily**
$4,000	$15.33

   (c) The retention allowance specified above forms part of an employee's salary and as such shall be pensionable

   (d) The retention allowance will be added to the calculation of the weekly rate of pay for the maternity and parental allowances payable under Article 38 and Article 40 of this collective agreement;

2. A part-time employee receiving the allowance shall be paid the daily amount shown above divided by seven decimal five (7.5), for each hour paid at their hourly rate of pay.

3. An employee shall not be entitled to the allowance for periods he/she is on leave without pay.

RATIONALE

The Union's proposal is to include the appendix in the collective to ensure the continuation of the $4,000 retention allowance payment to all employees involved in the performance of compensation duties to help retain more qualified employees in the context of the impact that Phoenix continues to have on the federal public service.

The Phoenix pay disaster has been well-documented and publicized. For the last several years, the federal government has been unable to pay its employees accurately and on time. Phoenix has caused pay problems for more than 50 percent of the federal government's 290,000 public service workers through underpayments, over-payments, and non-payments including some at the CRA.

It has been estimated that it could take a decade or more to resolve the pay problems caused by Phoenix. The Standing Senate Committee on National Finance, chaired by Senator Percy Mockler, investigated the Phoenix pay system and submitted its report, "*The Phoenix Pay Problem: Working Towards a Solution*" on July 31, 2018, in which it summarized the implementation of Phoenix by stating: "*By any measure, the Phoenix pay system has been a failure"*. Instead of saving $70 million a year as planned, the report said that the cost to taxpayers to fix Phoenix's problems could be up to $2.2 billion by 2023. (Exhibit B88)

This disaster has had an equally debilitating impact on the employees who are charged with processing pay. Trying to do the best job they can with a faulty software system, bearing the brunt of angry and upset fellow federal public service workers, feeling blamed, and the exhausting work of repeatedly trying to correct mistakes, all take a toll. The Pay Centre is anecdotally considered to be a "toxic workplace" across the public service, and compensation duties that are still being performed in agencies are similarly impacted.

In recognition of how serious the Phoenix pay problems were, the parties negotiated an MOU outside the Collective Agreement which introduced an additional payment of $4,000 to all employees involved in the performance of compensation duties. This MOU expired on June 1, 2019. (Exhibit B89)

Although the Union's proposals are not able to repair Phoenix, they do offer some additional compensation to employees engaged in a Sisyphean task and provide a meaningful retention and recruitment tool to the Employer. The Union therefore respectfully requests that the Commission recommend the adoption of its proposal.

NEW
SOCIAL JUSTICE FUND

The Employer shall contribute one cent (1¢) per hour worked to the PSAC Social Justice Fund and such a contribution will be made for all hours worked by each employee in the bargaining unit. Contributions to the Fund will be made quarterly, in the middle of the month immediately following completion of each fiscal quarter year, and such contributions remitted to the PSAC National Office. Contributions to the Fund are to be utilized strictly for the purposes specified in the Letter Patent of the PSAC Social Justice Fund.

RATIONALE

The PSAC's Social Justice Fund was established at its triennial Convention on May 1, 2003. The mandate of the PSAC Social Justice Fund, adopted by the PSAC's National Board of Directors in January 2003, is to support initiatives in five areas:

- International development work;
- Canadian anti-poverty and development initiatives;
- Emergency relief work in Canada and around the world;
- Worker-to-worker exchanges;
- Workers' education in Canada and around the world.

PSAC has approached the Canadian Labour Congress and has joined the Labour International Development Committee (LIDC), composed of CLC affiliates with social justice funds similar to the PSAC's – i.e. the Unifor Social Justice Fund, the CUPE Union Aid, the CEP Humanity Fund, the IWA International Solidarity Fund and the Steelworkers Humanity Fund. The Membership in the LIDC will provide the PSAC Social Justice Fund with access to matching funding from the Canadian International Development Agency (CIDA).

In Canada today, fully 159 collective agreements between Canadian unions and large employers include funding for solidarity or humanities funds. Since its creation in 2003 more than a hundred employers contributed to the Social Justice Fund.

The PSAC's Social Justice Fund is not financially significant, representing just $19.50 per year on a straight time basis for PSAC members at the CRA who work 37.5 hours per week. Yet that very small amount, when put with other monies being negotiated by the PSAC, can have a huge impact on the lives and livelihood of workers in countries where human rights are non-existent.

The federal government is committed to increasing foreign aid, and directly supports Union Humanities, Solidarity and Social Justice Funds through matching contributions from CIDA and indirectly through the Income Tax Act.

In short, the Union's proposal is consistent with the practice of large unionized private sector employers in Canada, and it is consistent with and supportive of government policy with regard to foreign aid and international development. Thus the Union respectfully requests that its proposals be included in the Board's recommendations.

ARTICLE 18
GRIEVANCE PROCEDURE

EMPLOYER PROPOSAL

18.12 The Employer shall normally reply to an employee's grievance at any level of the grievance procedure, except the final level, within ~~ten (10)~~ **twenty (20)** days after the grievance is presented, and within thirty (30) days when the grievance is presented at the final level.

18.13 An employee may present a grievance at each succeeding level in the grievance procedure:

a. where the decision or offer for settlement is not satisfactory to the employee, within ten (10) days after that decision or offer for settlement has been conveyed in writing to the employee by the Employer, or
b. where the Employer has not conveyed a decision within ~~fifteen (15)~~ **twenty-five (25)** days from the date that a grievance is presented at any level, except the final level, the employee may, within the next ten (10) days, submit the grievance at the next higher level of the grievance procedure.

UNION POSITION

Status quo.

RATIONALE

The Employer is proposing to modify language that has been in existence since the first CCRA collective agreement was negotiated well over 20 years ago. It has been renewed in every round since. What's more, the current language is in fact more generous to the employer in comparison with what the Union has negotiated with other core federal employers, in that the CRA has thirty days to respond at the final level, while elsewhere the standard is twenty days. (Exhibit B90)

In light of these facts, and in light of the fact that the employer has provided no demonstrated need as to why this new language is needed and as to why the parties should deviate from the norm, the Union asks that the employer's proposal not be included in the panel's recommendation.

ARTICLE 33
LEAVE GENERAL

EMPLOYER PROPOSAL

33.03 An employee **on leave** is entitled, once in each fiscal year, to be informed upon request, of the balance of ~~his or her~~ **their** vacation and sick leave credits.

33.08 An employee shall not earn **or be granted** leave credits under this Agreement in any month **nor in any fiscal year** for which leave has already been credited **or granted** to ~~him or her~~ **the employee** under the terms of any other collective agreement to which the Employer is a party or under other rules or regulations of the Employer.

33.09 An employee shall not earn leave credits under this Agreement while on leave without pay.

UNION POSITION

Status quo.

RATIONALE

The Employer is proposing to modify language that has been in existence since the first CCRA collective agreement was negotiated well over 20 years ago. It has been renewed in every round since. What's more, the current language is identical to what is found in all other collective agreements that the Union has signed with major employers in the core public service. (Exhibit B91)

With respect to 33.09, the Union's position is that the employer's proposal is unnecessary as it is already dealt with elsewhere in the parties' current agreement.

In light of these facts, and in light of the fact that the employer has provided no demonstrated need as to why this new language is needed and as to why the parties

should deviate from the norm, the Union asks that the employer's proposal not be included in the panel's recommendation.

ARTICLE 34
VACATION LEAVE WITH PAY

EMPLOYER PROPOSAL

Article 34 Vacation Leave with Pay

34.02 An employee shall earn vacation leave credits for each calendar month during which **they** ~~he or she~~ ~~receives~~ **earn** pay for either ten (10) days or seventy-five (75) hours at the following rate:

34.08 Advance Payments

~~a. The Employer agrees to issue advance payments of estimated net salary for vacation periods of two (2) or more complete weeks, provided a written request for such advance payment is received from the employee at least six (6) weeks prior to the last pay day before the employee's vacation period commences.~~

~~b. Providing the employee has been authorized to proceed on vacation leave for the period concerned, pay in advance of going on vacation shall be made prior to the commencement of leave. Any overpayment in respect of such pay advances shall be an immediate first (1st) charge against any subsequent pay entitlements and shall be recovered in full prior to any further payment of salary.~~

34.11 Carry-Over and/or Liquidation of Vacation Leave

a. Where in any vacation year, an employee has not been granted all of the vacation leave credited to him or her, the unused portion of his or her vacation leave, up to a maximum of two hundred and ~~sixty two~~ **twenty** ~~decimal~~ five ~~(262.5)~~**(225)** hours, shall be carried over into the following vacation year. All vacation leave credits in excess of two hundred and ~~sixty two~~ **twenty** ~~decimal~~ five ~~(262.5)~~**(225)** hours shall be automatically paid in cash at his or her hourly rate of pay as calculated from the classification prescribed in his or her certificate of appointment of his or her substantive position on the last day of the vacation year.

b. Notwithstanding paragraph (a), if on March 31, 1999, or on the date an employee becomes subject to this Agreement after March 31, 1999, an employee has more than two hundred and ~~sixty two~~ **twenty** ~~decimal~~ five ~~(262.5)~~**(225)** hours of unused vacation leave credits, a minimum of seventy five (75) hours per year shall be granted or paid in cash by March 31 of each year, commencing on March 31, 2000, until all vacation leave credits in excess of two hundred and

~~sixty two~~ **twenty** ~~decimal~~ five ~~(262.5)~~**(225)** hours have been liquidated. Payment shall be in one (1) instalment per year and shall be at the employee's hourly rate of pay as calculated from the classification prescribed in his or her certificate of appointment of his or her substantive position on March 31 of the applicable previous vacation year.

34.17 Appointment from a Schedule I or IV Employer

The Employer agrees to accept the unused vacation leave credits up to a maximum of two hundred and **twenty** ~~sixty-two decimal~~ **five** ~~(262.5)~~**(225)** hours of an employee who resigns from an organization listed in Schedule I or IV or the Financial Administration Act in order to take a position with the Employer if the transferring employee is eligible and has chosen to have these credits transferred.

34.18 One-time entitlement

a. An employee shall be credited a one-time entitlement of thirty-seven decimal five (37.5) hours of vacation leave with pay on the first (1st) day of the month following the employee's second (2nd) anniversary of service, as defined in clause 34.03.

b.**Transitional Provision**:

Effective the date of signing, employees with more than two (2) years of service, as defined in clause 34.03, shall be credited a one-time entitlement of thirty-seven decimal five (37.5) hours of vacation leave with pay.

~~c. The vacation leave credits provided in clauses 34.18(a) and (b) above shall be excluded from the application of paragraph 34.11 dealing with the Carry-over and/or Liquidation of Vacation Leave.~~

UNION POSITION

Status quo.

RATIONALE

See page 82.

ARTICLE 35
SICK LEAVE WITH PAY

EMPLOYER PROPOSAL

35.01 a. An employee shall earn sick leave credits at the rate of nine decimal three seven five (9.375) hours for each calendar month for which the employee ~~receives~~ e**arns** pay for at least ten (10) days.

b. A shift worker shall earn additional sick leave credits at the rate of one decimal two five (1.25) hours for each calendar month during which ~~he or she~~ **they** work~~s~~ shifts and ~~he or she~~ ~~receives~~ **earn** pay for at least ten (10) days. Such credits shall not be carried over in the next fiscal year and are available only if the employee has already used one hundred and twelve decimal five (112.5) hours sick leave credits during the current fiscal year.

UNION POSITION

Status quo.

RATIONALE

The employer is proposing a number of serious concessions for both Articles 33 and 35. Under the parties' current agreement, an employee may access payments from the employer in advance of taking vacation leave and sick leave. The employer is proposing to eliminate this right completely. The current agreement states that an employee accrues vacation and sick leave each month in which an employee receives pay for either ten days or seventy-five hours. The employer is proposing to remove this and replace it with 'earns' rather than 'receive' pay. Lastly the employer wishes to dramatically reduce the amount of vacation time an employee may carry over on an annual basis from 262.5 hours to 225 hours.

In of these cases, the language that the employer is proposing to modify has been in existence since the first CCRA collective agreement was negotiated well over 20 years ago. It has been renewed in every round since. What's more, the current language is identical to what is found in all other collective agreements that the Union has signed with major employers in the core public service. None of these other employers are proposing the concessions that the CRA is seeking over this cycle of bargaining for Articles 34 and 35. (Exhibit B92)

The employer has provided no cogent rational whatsoever as to why the Union should accept these concessions and give up these rights, particularly when these rights are the norm in PSAC collective agreements in the core public service.

In light of these facts, and in light of the fact that the employer has provided no demonstrated need, the Union asks that the employer's proposal not be included in the panel's recommendation.

ARTICLE 36
MEDICAL APPOINTMENTS FOR PREGNANT EMPLOYEES

EMPLOYER PROPOSAL

36.01 Up to ~~half (1/2) a day~~ **three decimal seven five** (**3.75) hours** of reasonable time off with pay will be granted to pregnant employees for the purpose of attending routine medical appointments.

UNION POSITION:

Status quo.

RATIONALE

As previously stated, there are a great many employees that work compressed work schedules at the CRA. What the employer is proposing would represent a significant concession for those employees as 'up to a half day' in such cases represents more than 3.75 hours. What's more, the language already states 'up to' half (1/2) a day.

The Union submits that there is no cogent reason whatsoever as to why expectant mothers at the CRA should have the maximum amount of time that is allotted them for medical appointments should be cut. Additionally, the language contained in the parties' current agreement has been in existence since the first CCRA contract was negotiated over twenty years ago and has been renewed every round since.

In light of these facts, and in light of the fact that the employer has provided no demonstrated need, the Union asks that the employer's proposal not be included in the panel's recommendation.

ARTICLE 42
LEAVE WITH PAY FOR FAMILY RELATED RESPONSIBILITIES

EMPLOYER PROPOSAL

42.01

a. The total leave with pay which may be granted under this Article shall not exceed forty-five (45) hours in a fiscal year.

b. Term employees shall be entitled to the leave with pay provided under this Article in the same proportion as the number of months worked in a fiscal year compared with twelve (12) months.

42.02(h)(A) seven decimal five (7.5) hours out of the forty-five (45) hours stipulated in this clause may be used:

A. to attend school functions **of the employee's child**, **as defined in paragraph 2.01**, if the supervisor was notified of the functions as far in advance as possible;

UNION POSITION:

Status quo.

RATIONALE

The language that the employer is proposing to add to Article 42 does not exist in any of the PSAC's collective agreements in the core public administration. What's more, it runs contrary to a major objective of the Union's in this round of negotiations: to bargain improvements and new rights for term employees at the CRA. Terms and conditions of employment for term employees are already inferior at the CRA in comparison with other federal employers. The Union has no intention of further exacerbating this disparity. The Union asks that the concession being proposed by the employer not be included in the panel's recommendation.

ARTICLE 53
LEAVE WITH OR WITHOUT PAY FOR OTHER REASONS

The Employer reserves the right to make proposals in relation to the above noted Article.

53.02 Personal Leave

a. Subject to operational requirements as determined by the Employer, and with an advance notice of at least five (5) working days, the employee shall be granted, in each fiscal year, up to fifteen (15) hours of leave with pay for reasons of a personal nature.

b. Term employees shall be entitled to the leave with pay provided under this Article in the same proportion as the number of months worked in a fiscal year compared with twelve (12) months.

c. The leave will be scheduled at times convenient to both the employee and the Employer. Nevertheless, the Employer shall make every reasonable effort to grant the leaves at such times as the employee may request.

UNION POSITION

Status quo.

RATIONALE

Term employment has been a serious point of contention between the parties for many years as the CRA is arguably the most precarious employer in the core public service. With the possible of Statistical Survey Operations, no core public service employer employs more terms per capita (or possibly in total) than the CRA. Furthermore, unlike the Treasury Board, the CRA does not adhere to any 'term rollover policy' and consequently there are term employees who spend years – in some cases more than a decade – without being afforded the opportunity to become permanent. The Union is in dispute with the employer over this matter and continues to demand that the employer rectify this grievous inconsistency.

In previous rounds of negotiations, the Union has pushed to achieve improvements for term employees and has done so over previous rounds. This is true with respect for example to cumulative service accrual in the previous round for the purposes of wage increments. Again the Union is seeking more protections and improvements for term employees in this round of negotiations given the plight of term employees at CRA.

What the employer is proposing therefore for Articles 42.01 and 53.02 b) runs contrary to a key objective for the Union in this round of bargaining in that it represents a significant concession for term employees. Term employees are already at a disadvantage in comparison with permanent employees in that they are not afforded the job and income security rights. What's more, what the employer is proposing here with respect to term employees is not found in collective agreements that the Union has entered into with other major core public service employers. Hence the Union's rejection of the employers proposals for these clauses.

With respect to the concession being sought for 42.02, what the employer is proposing is a deviation from all other PSAC collective agreements with core public service employers, none of whom have made the same proposal over this cycle of negotiations. Furthermore no cogent demonstrated need was provided in bargaining.

In light of these facts, the Union asks that the employer's proposals for Articles 42 and 53 not be included in the panel's recommendation.

ARTICLE 56
EMPLOYEE PERFORMANCE REVIEW AND EMPLOYEE FILES

56.04 Upon written request of an employee, the personnel file of that employee shall be made available at least once per year for the employee's examination in the presence of an authorized representative of the Employer. **For the purpose of satisfying this clause, the information can be made available electronically.**

UNION POSITION

Status quo.

RATIONALE

The language contained in 56.04 has existed since the first CCRA agreement negotiated over twenty years ago. It is standard language in PSAC agreements with core federal public service employers. (Exhibit B93) The Employer has provided no cogent rationale as to why an employee's consulting of their file should be done without a management representative present. There are occasions when having management on hand is advantageous to both parties. Under the employer's proposal the agency may elect to simply send the document via email.

The Union believes the language should remain as is. No other employer in the core public service is asking to change the language over the course of this cycle of negotiations. Therefore the Union respectfully requests that the employer's proposal not be included in the panel's recommendation.

PART 3
COMPENSATION

APPENDIX "A"
RATES OF PAY

PSAC PROPOSAL

Wage Adjustment

The Union proposes that effective November 1st, 2016 (prior to applying the economic increase) a wage adjustment of 9% to all levels of the Appendices A, A-1 and A-2.

General Economic Increases

The Union proposes the following economic increases to all rates of pay for all bargaining unit employees:

- Effective November 1, 2016 (after wage adjustments): 1.40%
- Effective November 1, 2017: 1.60%
- Effective November 1, 2018: 3.75%
- Effective November 1, 2019: 3.75%

RATIONALE

In this section, the Union will demonstrate that if comparators groups are to be established for members of this bargaining unit, the appropriate comparators would be the Audit, Financial and Scientific group at the CRA and non-uniform personnel in the Border Services FB group.

In collective bargaining, there is rarely a perfect comparator and in the federal public services every group is somewhat unique. That being said, as will be further demonstrated below, CRA and CBSA employees used to work alongside each other, sharing the same occupational group and classification system. Today, they continue to perform duties that are analogous and yet their compensation is significantly different.

Additionally, in order to recruit retain and motivate the best workforce for the job, CRA must be able to offer a competitive and relevant compensation package to its employees. In the current tightening labour market, the pool of qualified and performing new candidates is shrinking and competition for applicants is rising. Successful organizations must offer rates of pay that are comparable or superior to their competitors in the labour market.

The Union's wage proposal is based upon four broad arguments:

1. Fairness within the context of current trends and circumstances;
2. Fairness and relativity within the federal public administration;
3. Fairness with respect to persons in similar positions in the federal public service.

Before discussing these three arguments that shape the Union's proposals, it is important to first address and unpack the foundational arguments upon which the employer's pay proposal is based.

Employer 'Rationale': (In)ability to Pay

This section discusses the Employer's arguments pertaining to the ability to pay, for which the Union believes greater context and caution should be given. Arbitral jurisprudence speaks clearly and consistently to the need to look past the financial status of public sector employers when considering ability to pay. The precedence and rationale behind rejecting ability to pay arguments will be referred to and discussed throughout this sub-section.

The employer's framing of the current economic climate, the state of Canadian economy and the fiscal situation of the Government of Canada conveniently attempts to imply the need for meager economic increases due to ongoing circumstances for budgetary restraint. Arguments put forward by the Employer, whereby agreeing to the Union's proposed rates of pay requires to be funded within pre-established budgets set by the Treasury Board Secretariat, or to follow wage trends established by other Bargaining Agents, need to be rejected.

The Treasury Board Secretariat is the 'ultimate funder' of the Canadian Revenue Agency. The PSAC cannot take part in the funding and budgetary decisions within the Treasury Board Secretariat and rejects the argument that the employer's financial mandate should be determined by the constraints imposed as a result of such decisions.

The issue of lack of ability to pay, as a result of pre-determined funding mechanisms, was addressed by Arbitrator Arthurs in his seminal case on the topic *Re Building Service Employees Local 204 and Welland County General Hospital* [1965] 16 L.A.C. 1 at 8, 1965 CLB 691 award:

> *If, on the other hand, the Commission refuses to assist the hospital in meeting the costs of an arbitral award, the process of arbitration becomes a sham. The level of wages would then be in fact determined by the Commission in approving the hospital's budget. Since the Union is not privy to budget discussions between the hospital and the Commission, it would then be in the unenviable position of being unable to make representations*

regarding wage levels to the very body whose decision is effective - the Commission[38]

Arbitrator Arthurs reasoned that an award solely reflecting an employer's financial mandate as determined by another level of governance would, in effect, result in the 'ultimate funder' determining the wage rates in collective bargaining. It would logically follow that if an arbitrator were to consider ability to pay in this circumstance, it would evaluate the Federal Government's ability to pay rather than the CRA ability or willingness to pay.

In light of another decision, Arbitrator Swan outlines that arbitrators give virtually no weight to "ability to pay" arguments and clarifies that the use of comparators, rather than Public Sector financial data, is not rooted in a cavalier attitude towards Union wage demands. Swan states that the arbitrator's role is to evaluate whether wages are equitable rather than an evaluation of the political processes from which budgets are invariably developed:

"Public sector arbitrators have never paid much attention to arguments based upon "the ability to pay" of the public purse, not because they do not think that the public purse needs to be protected from excessive wage demands, but because the other factors which fashion the outcome of an arbitration are so much more influential and so much more trustworthy than the national constraints of "ability to pay". The extraneous influences which may be applied to the resources available to the individual hospital bound by the present arbitration are such that, either by manipulation or by sheer happenstance, those forces could render meaningless the entire negotiation and basis for the outcome of collective bargaining. The decision as to whether a specific service should be offered in the public sector or not is an essentially political one, as is the provision of resources to pay for that service. Arbitrators have no part in that political process, but have a fundamentally different role to play, that of ensuring that the terms and conditions of employment in the public service are just and equitable[39]*.*

[38] H. W. Arthurs, Award Re Building Service Employees Local 204 and Welland County General Hospital, 16 L.A.C.-1, 1965.
[39]Kenneth P. Swan, Re: Kingston General Hospital and OPSEU, Unreported, June 12, 1979.

Furthermore, interest arbitrators have consistently recognized that to give effect to government fiscal policy would be equivalent to accepting an ability to pay argument and thus abdicating their independence: The parties know that ability to pay has been rejected by interest arbitrators for decades. Arbitrator Shime in *Re McMaster University:*

> *"...there is little economic rationale for using ability to pay as a criterion in arbitration. In that regard I need only briefly repeat what I have said in another context, that is, public sector employees should not be required to subsidize the community by accepting substandard wages and working conditions."* [40]

By and large, the concept of 'ability-to-pay' has been rejected as an overriding criterion in public sector disputes by an overwhelming majority of arbitrators and has been summarized as follows:

1. "Ability to pay" is a factor entirely within the government's own control;
2. Government cannot escape its obligation to pay normative wage increases to public sector employees by limiting the funds made available to public institutions;
3. Entrenchment of "ability to pay" as a criterion deprives arbitrators of their independence, and in so doing discredits the arbitration process;
4. Public sector employees should not be required to subsidize public services through substandard wages;
5. Public sector employees should not be penalized because they have been deprived of the right to strike;
6. Government ought not to be allowed to escape its responsibility for making political decisions by hiding behind a purported inability to pay;

[40] O.B. Shime, Q.C., Re: *McMaster University and McMaster University Faculty.* Interest Arbitration, Ontario. July 4, 1990

7. Arbitrators are not in a position to measure a public sector employer's "ability to pay"[41] ;

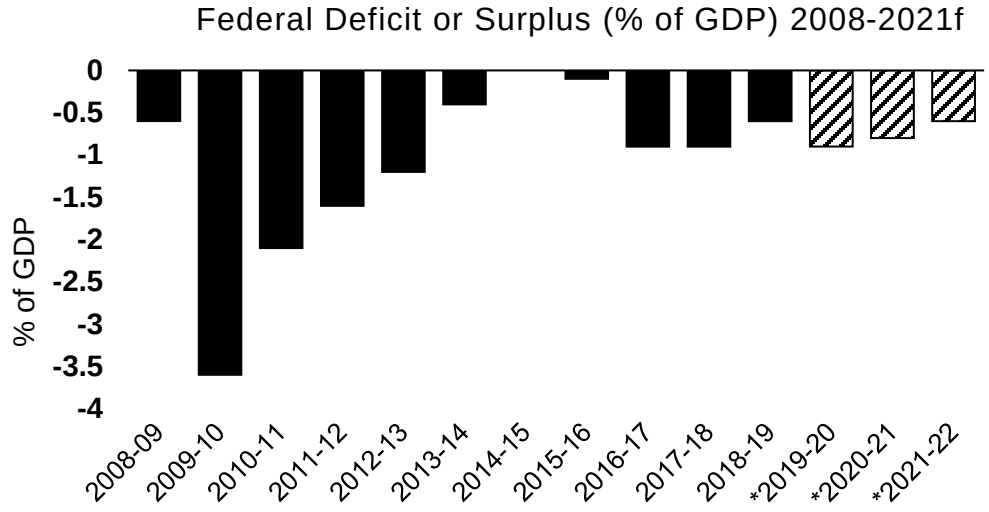
Therefore, the Union submits that Employer's inability to pay argument is moot, particularly when the government has it within its power to determine its own ability to pay by setting its budget, and specifically when jurisprudence has consistently rejected such claims from the Employer.

[41] Jeffrey Sack, Q.C., "Ability to pay in the Public Sector: A Critical Appraisal", *Labour Arbitration Yearbook*, 1991, vol. 2, 277 to 279.

Fairness within the context of current trends and circumstances

The Federal Government's fiscal position is historically healthy

Though much attention tends to be paid to the dollar amount associated with deficits, deficit size relative to GDP is much more representative of the Government's actual fiscal position. In the last 10 years, Canada has successfully mitigated economic challenges. Going forward, decreasing debt-to-GDP for years 2018 to 2022 are projected and form part of the Government's mandate, as set in Budget 2019 (please see graph below)[42] [43] [44].



Source: Finance Canada, *Fiscal Reference Tables*, October 2018
* Projected in Budget 2019. *Maintaining Canada's Low-Debt Advantage*

[42] Budget 2019 https://www.budget.gc.ca/2019/docs/plan/overview-apercu-en.html

Le Budget de 2019 https://www.budget.gc.ca/2019/docs/plan/overview-apercu-fr.html

[43] Finance Canada, *Fiscal Reference Tables*, October 2018, https://www.fin.gc.ca/frt-trf/2018/frt-trf-18-eng.pdf

Finance Canada, Tableaux de référence financiers Octobre 2018 https://www.fin.gc.ca/frt-trf/2018/frt-trf-18-fra.pdf

[44] Annual Financial Report of the Government of Canada 2018-2019, https://www.fin.gc.ca/afr-rfa/2019/afr-rfa19-eng.pdf

The current deficit in relation to GDP is historically small and the current fiscal position of the Federal Government shows no obstruction to providing fair wages and economic increases to federal personnel. In addition, the present government has not identified fighting the deficit as a priority, but instead increased program spending.

Canada's strong fiscal position and positive economic outlook

Budget 2019's assurances to Canadians that "*Canada's economy remains sound*", that "*the Canadian economy is expected to strengthen over the second half of 2019*", and that Canada is "*to remain among the leaders for economic growth in the G7 in both 2019 and 2020*" are clear statements indicating the Government of Canada believes the Canadian economy is healthy.

There is further confirmation, in Budget 2019, that Canada has some of the strongest indicators of financial stability in the G7 economies[45] and Canadians are reassured that *"In a challenging global economic environment, Canada's economy remains sound",* whereby "*At 3 per cent growth, Canada had the strongest economic growth of all G7 countries in 2017, and was second only to the U.S. in 2018."* These statements oppose the employer's traditional position that financial constraint is necessary.

In July 2019, Fitch Ratings Inc. affirmed Canada's stable economy by issuing Canada's *Long-Term Foreign Currency Issuer Default Rating* (IDR) its highest rating *AAA* with a *Stable Outlook.*

> *"The [AAA] rating draws support from its advanced, well-diversified and high-income economy. Canada's political stability, strong governance and institutional strengths also support the rating. Its overall policy framework remains strong and has delivered steady growth and low inflation."*

[45] Budget 2019, Maintaining Canada's low-debt advantage

The *Bank of Canada* expects activity to pick up later in 2019 and that economic activity will spill over into 2020, supporting Canadian economic growth *of 2.1% [46].*

Canada is to remain a leader in economic growth

Growth in GDP during the second quarter of 2019 GDP accelerated to 3.7%, beyond economists' expectations, due to factors including the reversal of weather-related slowdowns and a surge in oil production[47]. The Bank of Canada and Fitch's Ratings[48] expect GDP to pick up by 1.7% to 2% by 2021, slightly above potential growth, driven by a stabilizing oil sector, rising non-oil investment, and household consumption buoyed by a tight labour market[49]. Canada's largest banks[50] agree that GDP will follow this growth trend and improve through 2020 (see table below for a summary of actual and projected GDP – Major Canadian Banks).

[46]Canada's State of Trade 2019 Report, Global Affairs Canada, Chapter 2.1 Canada 'Economic Performance, Looking Forward, August 2019, https://www.international.gc.ca/gac-amc/publications/economist-economiste/state_of_trade-commerce_international-2019.aspx?lang=eng#Section2.1

[47] Bank of Canada Monetary Policy Report July 2019

[48] Fitch Affirms Canada's Ratings at 'AAA'; Outlook Stable. Fitch's Ratings. July 17, 2019

[49] Bank of Canada Monetary Policy Report, July 2019

[50] All accessed August 9-12, 2019: TD Longterm Economic Forecast June 18, 2019 https://economics.td.com/domains/economics.td.com/documents/reports/qef/2019-jun/long_term_jun2019.pdf; CIBC Forecast Update July 8, 2019 https://economics.cibccm.com/economicsweb/cds?ID=7649&TYPE=EC_PDF; BMO Capital Markets Economic Outlook August 9, 2019 https://economics.bmo.com/media/filer_public/df/b8/dfb80b31-59a3-43b2-b280-eccdcacc0006/provincialoutlook.pdf; RBC Provincial Outlook June 2019 http://www.rbc.com/economics/economic-reports/pdf/provincial-forecasts/provtbl.pdf; Desjardins Economic & Financial Outlook June 2019 https://www.desjardins.com/ressources/pdf/peft1906-e.pdf?resVer=1561036871000; Scotiabank Global Economics July 12, 2019 https://www.scotiabank.com/content/dam/scotiabank/sub-brands/scotiabank-economics/english/documents/provincial-pulse/provincial_outlook_2019-07-15.pdf; Bank of Canada Monetary Policy Report July 2019

Actual and projected GDP – Major Canadian Banks

Canada – GDP	2016	2017	2018	2019f	2020f
	Annual Average Percentage Change (%)				
TD Economics	1.4	3.0	1.9	1.3	1.7
RBC	1.4	3.0	1.9	1.4	1.8
CIBC	1.4	3.0	1.9	1.4	1.4
BMO	1.4	3.0	1.9	1.4	1.7
Scotia Bank	1.4	3.0	1.9	1.4	2.0
National Bank of Canada	1.4	3.0	1.9	1.5	2.0
Desjardins	1.4	3.0	1.9	1.9	1.6
AVERAGE:	**1.4**	**1.6**	**1.9**	**1.5**	**1.7**

A decreasing debt-to GDP ratio

The federal debt-to-GDP ratio is one of the main measures of sustainability of federal finance, where

> *"A stable or declining federal debt-to-GDP ratio over time means that the federal debt is sustainable because GDP, the broadest measure of the tax base, grows at the same pace or more rapidly than the federal debt[51]."*

Federal tax revenues surpassed budget expectations, contributing to a surplus of 0.4% of GDP on a Government Finance Statistics (GFS) basis for 2018[52]. We can expect a further reduction of the debt-to-GDP ratio over the next years – as our tax base grows, the federal debt is shrinking more rapidly[53] :

[51] What Does Budget 2019 Tell Us about Projected Federal Revenues, Expenditures, Budgetary Balance and Debt? https://hillnotes.ca/2019/04/03/what-does-budget-2019-tell-us-about-projected-federal-revenues-expenditures-budgetary-balance-and-debt/

Que nous apprend le budget fédéral de 2019 sur les projections relatives aux recettes, aux dépenses, au solde budgétaire et à l'endettement? https://notesdelacolline.ca/2019/04/03/que-nous-apprend-le-budget-federal-de-2019-sur-les-projections-relatives-aux-recettes-aux-depenses-au-solde-budgetaire-et-a-lendettement/

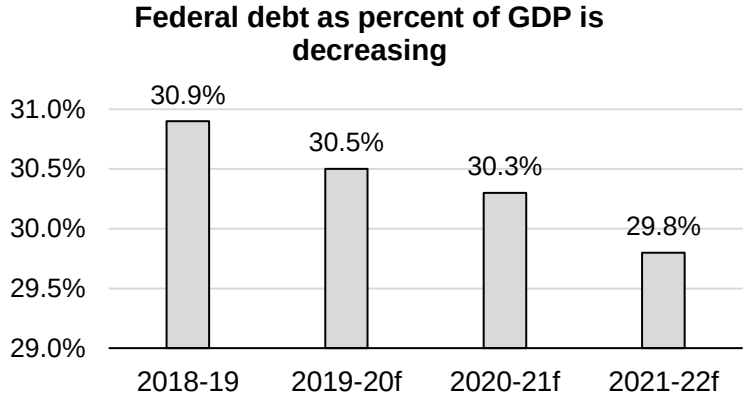
(accessed September 17, 2019)

[52] Fitch Affirms Canada's Ratings at 'AAA'; Outlook Stable. Fitch's Ratings. July 17, 2019 (as above)

[53] Federal Budget 2019, Maintaining Canada's Low Debt Advantage, https://www.budget.gc.ca/2019/docs/plan/overview-apercu-en.html

"The federal debt-to-GDP ratio is also expected to decline every year over the forecast horizon, reaching 28.6 per cent by 2023–24. A declining federal debt-to-GDP ratio will help to further reduce Canada's net debt-to-GDP ratio, which is already the lowest among G7 countries."

The Federal Government is in a strong fiscal position, where Program Expenses and the overall Debt, as a percentage of GDP are forecast to decrease through 2022. Budgetary balance (as percentage of GDP) is forecasted to remain steady throughout 2019-2021 and decrease through 2022. With Program expenses trending down and budgetary revenues remaining constant, the Fiscal Position of the Federal Government is "in the green" and deficits are expected to stay within risk adjustments[54] [55].



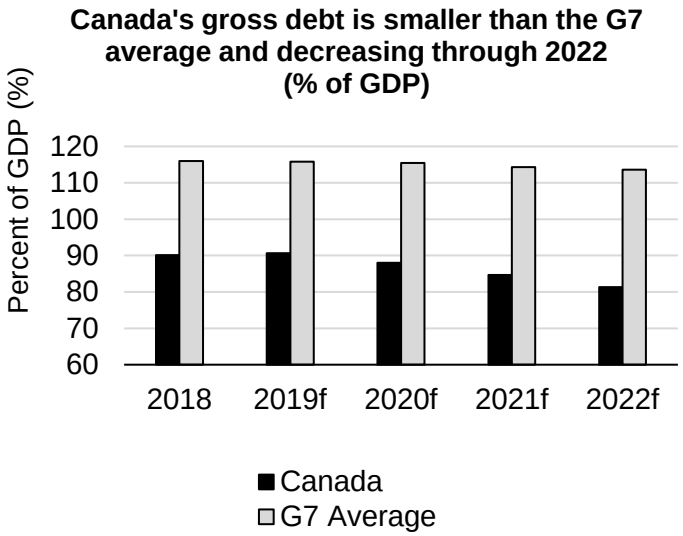
[54] Budget 2019: Highlights of Bill Morneau's fourth federal budget, CBC, March 19th, 2019, https://www.cbc.ca/news/politics/bill-morneau-budget-2019-highlights-1.5061661 (accessed September 16, 2019)

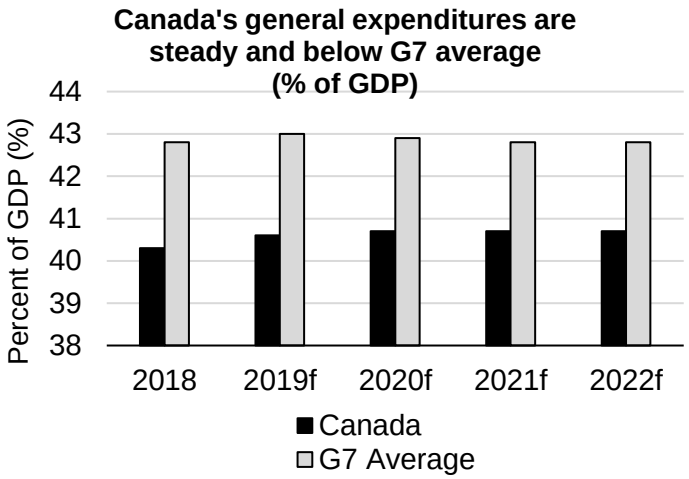
[55] Fall Economic Statement 2018 https://www.budget.gc.ca/fes-eea/2018/docs/statement-enonce/fes-eea-2018-eng.pdf

Énoncé économique de l'automne 2018, https://www.budget.gc.ca/fes-eea/2018/docs/statement-enonce/fes-eea-2018-fra.pdf (consulté 17 septembre, 2019)

Canada has better fiscal sustainability than the other G7 countries[56]

Canada's general gross debt is forecast to decline consistently through 2022. This contrasts with other G7 countries which are expected to only see modest decreases. General expenditures as a percentage of GDP are forecast to remain steady, while remaining far below the G7 average, indicating that the economy is expected to remain sustainable without increasing direct economic stimulation from government (see below).





Increasing export and trade

Canada's trade of goods and services expanded to *"a record high of $1.5 trillion, or 66% of GDP"* in 2018.[57]. Growth in business investment and exports is expected to gain momentum through 2019, supported by new arrangements with many trading partners

[56] Data from: International Monetary Fund - Fiscal Monitor, April 2019 https://www.imf.org/external/datamapper/datasets/FM/1 (accessed September 16, 2019)

Note: IMF indicators include Federal and Provincial Governments.

[57] Canada's State of Trade 2019 Report, Global Affairs Canada, Chapter 2.2 Canada's Trade Performance, August 2019, https://www.international.gc.ca/gac-amc/publications/economist-economiste/state_of_trade-commerce_international-2019.aspx?lang=eng#Section2.1

and tax incentives to encourage business investment.[58] The signing and anticipated ratification of the Canada, U.S., and Mexico, the USMCA trade agreement (successor to NAFTA) has alleviated some trade uncertainty[59].

Trade expansion for the first two quarters of 2019 continues to increase, with notable growth in export by 4% in the second quarter in a quarter-on-quarter comparison.

Source: Statistics Canada, Table 36-10-0104-01; retrieved on August 11, 2019

*2019 data represents Q1 and Q2 only.

Canada has defied global patterns by attracting foreign investment in 2018 amounting an increase by 60% year-over-year[60]. This trend continues with a jump in second quarter foreign investment to $21.7 billion, the highest in the five years.[61]

[58] Budget 2019

[59] Fitch Affirms Canada's Ratings at 'AAA'; Outlook Stable. Fitch's Ratings. July 17, 2019

[60] Why Canada saw a 60% increase in foreign direct investment last year. Globe and Mail. May 22, 2019

[61] Statistics Canada The Daily August 29, 2019.
https://www150.statcan.gc.ca/n1/daily-quotidien/190829/dq190829b-eng.htm

Le Quotidien https://www150.statcan.gc.ca/n1/daily-quotidien/190829/dq190829b-fra.htm (accessed September 17, 2019)

Canada has a strong labour market and low unemployment

According to Budget 2019, Canada's job creation is on track[62]

> *"Since November 2015, targeted investments and strong economic fundamentals have contributed to creating over 900,000 new jobs, pushing the unemployment rate to its lowest levels in over 40 years. In 2018 alone, all employment gains were full-time jobs."*

Canada added 224,000 net jobs in the first seven months of 2019 and another 81,000 positions in August, beating economists' expectations of 15,000. Compared with August 2018, employment increased by 471k with gains in both full-time (+360,000) and part-time (+165,000) work [63] [64].

The Union respectfully submits that the state of the Canadian economy and the Government of Canada's fiscal circumstances are healthy, as indicated by Budget 2019 and comparable fiscal factors with G7 economies. Canada's trade is currently increasing, with imports and exports defying global patterns. The current federal deficit, when analyzed as a percentage of GDP, is historically low and does not hinder the Employer in providing decent wages and economic increases to members of this bargaining unit.

[62] Federal Budget 2019

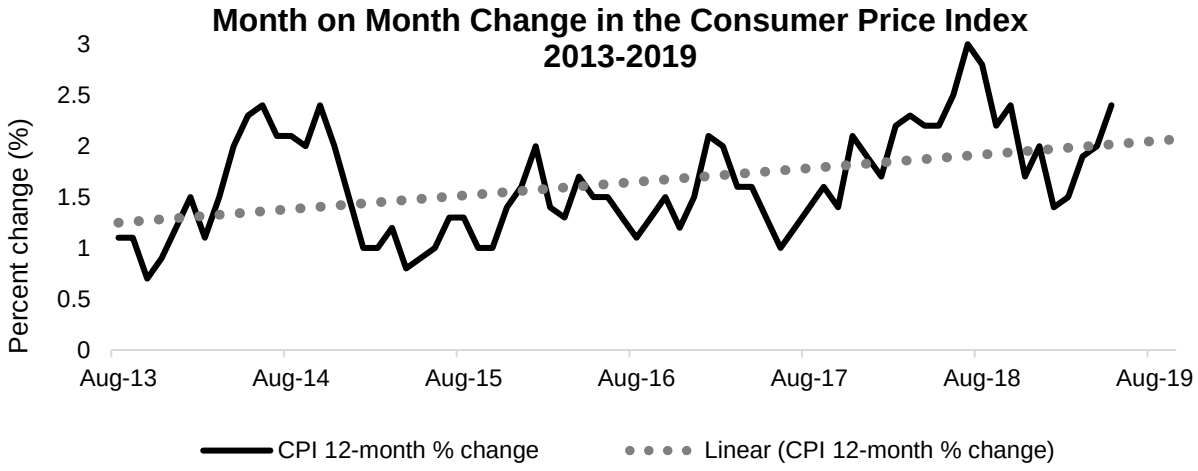
[63] Labour Force Survey, August 2019 https://www150.statcan.gc.ca/n1/daily-quotidien/190906/dq190906a-eng.htm

Enquête sur la population active, août 2019 https://www150.statcan.gc.ca/n1/fr/daily-quotidien/190906/dq190906a-fra.pdf

[64] Canada's economy blows past expectations with gain of 81,100. Financial Post. Kelsey Johnson. September 6, 2019. jobshttps://business.financialpost.com/news/economy/canada-gains-81100-jobs-in-august-as-national-election-looms

Current and projected cost of living

Canadians, including members of this bargaining unit are subject to continuing increases in living expenses. The Consumer Price Index (CPI) measures inflation and an increase in CPI/inflation translates into a reduction of buying power. As CPI rises, we must spend more to maintain our standard of living.



The following table of inflation rates (annual CPI increase shown in percent) for 2016 to 2019 (forecast) was constructed from rates published by seven major financial institutions[65]. This data clearly demonstrates that anything below a 1.4% and 1.6% annual increase would fail to match the inflation rates for 2016 and 2017 respectively.

[65] All accessed August 9-12, 2019:
TD Long-term Economic Forecast June 18, 2019
https://economics.td.com/domains/economics.td.com/documents/reports/qef/2019-jun/long_term_jun2019.pdf; TD
CIBC Forecast Update July 8, 2019 https://economics.cibccm.com/economicsweb/cds?ID=7649&TYPE=EC_PDF;;
BMO Capital Markets Economic Outlook August 9, 2019
https://economics.bmo.com/media/filer_public/df/b8/dfb80b31-59a3-43b2-b280-eccdcacc0006/provincialoutlook.pdf;
RBC Provincial Outlook June 2019
http://www.rbc.com/economics/economic-reports/pdf/provincial-forecasts/provtbl.pdf;
Desjardins Economic & Financial Outlook June 2019 https://www.desjardins.com/ressources/pdf/peft1906-e.pdf?resVer=1561036871000;
Scotiabank Global Economics July 12, 2019 https://www.scotiabank.com/content/dam/scotiabank/sub-brands/scotiabank-economics/english/documents/provincial-pulse/provincial_outlook_2019-07-15.pdf;
Bank of Canada Monetary Policy Report July 2019

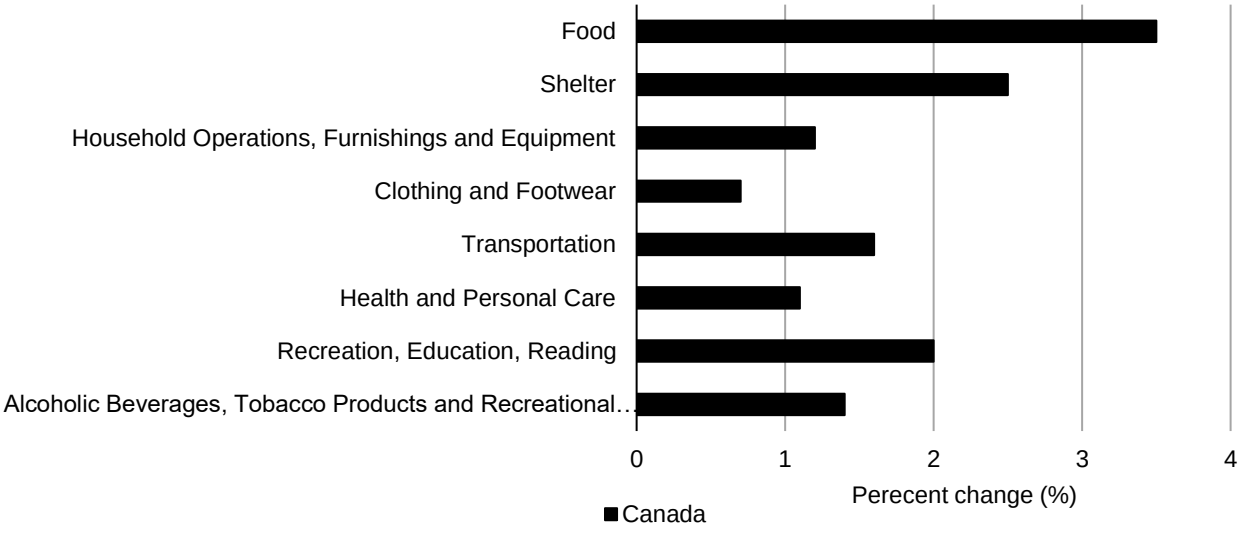
Canada-CPI	2016	2017	2018	2019f
	Annual increase in CPI (%)			
TD Economics	1.4	1.6	2.2	1.9
RBC	1.4	1.6	2.3	1.9
CIBC	1.4	1.6	2.3	2.0
BMO	1.4	1.6	2.3	1.9
Scotia Bank	1.4	1.6	2.0	1.9
National Bank of Canada	1.4	1.6	2.3	2.0
Desjardins	1.4	1.6	2.3	1.8
AVERAGE:	**1.4**	**1.6**	**2.2**	**1.9**

Source: CPI averages in this graph as per all-banks averages in the tables above.

The rising cost of Food and Shelter

When CPI increases outpace wage increases, members continue to lose buying power and find it more difficult to meet their basic needs. For example, the cost for shelter increased 2.5% and in 12 months as of June 2019. Canadians also paid an overall 3.5% more for food in June compared to the same month last year (Statistics Canada)[66]. Vegetable prices are especially volatile and continue to increase year over year, even in the summer months (Statistics Canada)[67].

CPI detail, 12-month price change (percentage)



Source: Statistics Canada Consumer Price Index, monthly, not seasonally adjusted (as of July 2019). Table 18-10-0004-01 (accessed September 17, 2019) and Statistics Canada. Table 18-10-0007-01 Basket weights of the Consumer Price Index

[66] Statistics Canada Latest Snapshot of the CPI, June 2019 (accessed August 18, 2019) https://www150.statcan.gc.ca/n1/pub/71-607-x/2018016/cpi-ipc-eng.htm; Table: 18-10-0007-01
[67] Statistics Canada Consumer Price Index, monthly, not seasonally adjusted, Table: 18-10-0004-01 https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1810000401

Canada's Food Price Report 2019[68] forecasts that food prices in nearly all categories will continue to rise in most provinces in 2019.

2019 Food Price Forecasts

Food Categories	Anticipated increase (%)
Bakery	1% to 3%
Dairy	0% to 2%
Grocery	0% to 2%
Fruit	1% to 3%
Meat	-3% to -1%
Restaurants	2% to 4%
Seafood	-2% to 0%
Vegetables	4% to 6%
Total Food Categories Forecast:	**1.5% to 3.5%**

Source: Canada's Food Price Report 2019

The predicted six percent hike in the cost of produce is alarming, and vegetable prices may increase even more if deteriorating weather conditions continue to cause poor growing conditions[69]. Dr. Somogyi, one of the authors of the Food Price Report, anticipates an increase in vegetable consumption due to recent changes in Canada's Food Guide, published by the Government of Canada, instructing Canadians to. Canadians are advised in Canada's Food Guide to "have plenty of vegetables and fruits[70]". An increase in demand in vegetables would also contribute to raising prices.

[68] Food Price Report 2019 (accessed August 12, 2019) *Canada's Food Price Report 2019* is a collaboration between Dalhousie University, led by the Faculties of Management and Agriculture, and the University of Guelph's Arrell Food Institute.
https://cdn.dal.ca/content/dam/dalhousie/pdf/management/News/News%20&%20Events/Canada%20Food%20Price%20Report%20ENG%202019.pdf

[69] Pricey Produce Expected to Increase Our Grocery Bills in 2019, Says Canada's Food Price Report University of Guelph December 4, 2019 (accessed August 12, 2019)

[70] Canada's Food Guide Appendix A (accessed August 12, 2019)
https://food-guide.canada.ca/static/assets/pdf/CDG-EN-2018.pdf

Rising prices for food especially hurt lower and middle-income households and families, for whom food consumes a much larger share of their budget. Any price increases put a disproportionate amount of strain on the family budget. This is especially relevant to our members; they need the Treasury Board to provide competitive general economic increases that help offset surging costs for healthy foods and enable them to follow the Canada Food Guide.

The rising cost of shelter is also affecting our members. The Canadian Center for Policy Alternatives' (CCPA) latest housing report[71] found that, nationally, *"the average wage needed to afford a two-bedroom apartment is $22.40/h, or $20.20/h for an average one bedroom*." The numbers become even more worrisome when investigating the housing and renting costs around major Canadian hubs "*like in the Greater Toronto Area, the Vancouver neighbourhoods containing over 6,000 apartments also have among the highest rental wages: Downtown Central ($46/hr), English Bay ($46/hr) and South Granville ($40/hr)."*

According to the Canadian Real Estate Association's latest report[72], the actual (not seasonally adjusted) national average price for homes sold in August 2019 was approximately $493,500, up almost 4% from the same month last year. In their latest monthly housing market update, RBC Economics[73] also raised their forecast for home prices by 0.8% for 2019 and 3.5% for 2020, while resale prices are projected to go up by 4.6% in 2019 and by 5.8% in 2020. With maintenance costs, home insurance, taxes and the cost of energy being other factors homeowners need to account for in affording a

[71] Unaccommodating, Rental Housing wage in Canada, CCPA, David MacDonald, July 18th, 2019, https://www.policyalternatives.ca/unaccommodating

[72] Canadian Real Estate Association, Housing Market Stats/National Statistics, September 16, 2019, https://creastats.crea.ca/natl/index.html

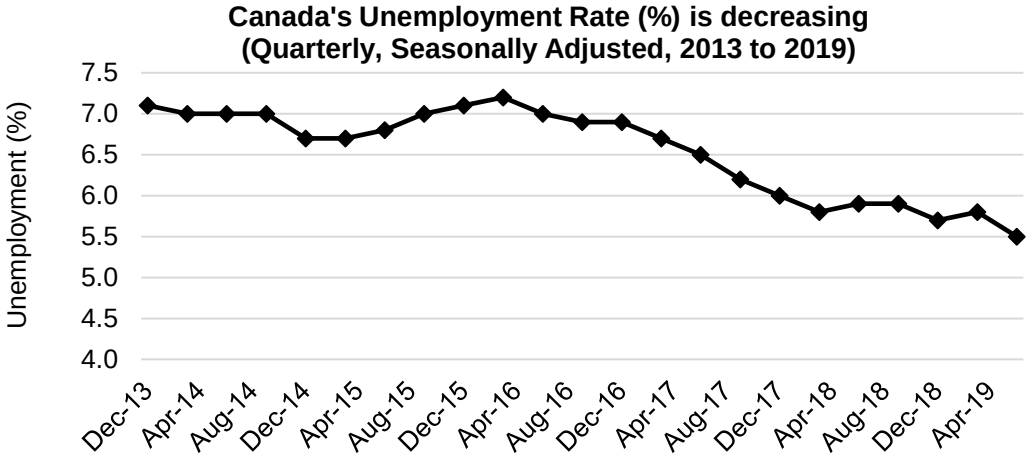
[73] Monthly Housing Market Update, RBC Economics, September 16th, 2019, http://www.rbc.com/economics/economic-reports/pdf/canadian-housing/housespecial-sep19.pdf

household, there is no indication of these expenses slowing down for middle-class Canadians who are or want to become homeowners.

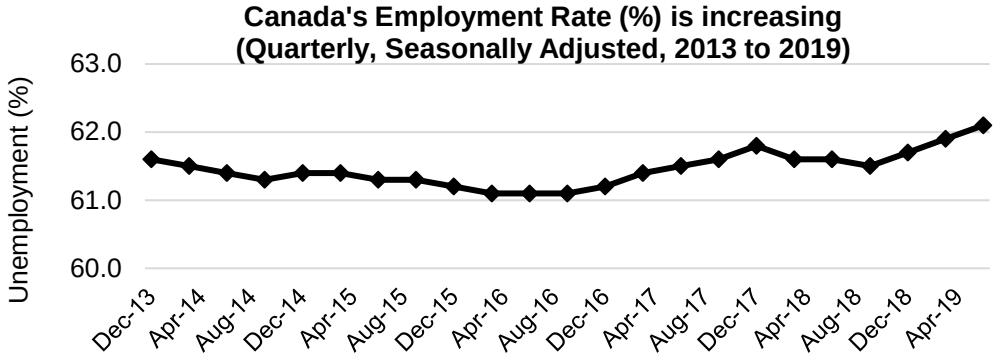
In summary, costs for the necessities of life including food and shelter continue to rise[74], making it more difficult to "just get by". The Employer's proposed wage increases for 2018, 2019, and 2020 fail to address these increasing costs of living.

Highly competitive labour market

Unemployment rates today are well below those from previous years, remaining at 5.7%, near an all-time low. Employment rates have remained steady, inching closer and closer towards full employment, recently peaking in June 2019 (see below figures). Given a consistently strong labour market and low unemployment, the Union believes salaries and wages should reflect these trends and remain competitive.



[74] Statistics Canada. Table 18-10-0004-01 Consumer Price Index, monthly, not seasonally adjusted https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1810000401 April 2019 (accessed August 9, 2019)



Source: Statistics Canada. Table 14-10-0294-01 Labour force characteristics by census metropolitan area, three-month moving average, seasonally adjusted and unadjusted, last 5 months[75]

Canada's tight labour market has made it more likely for workers to seek alternative positions if they are not happy with their current employment situation. Almost 90% of respondents to *The 2019 Hays Canada Salary Guide* indicated that they are open to hearing new opportunities[76]. According to a 2018 survey the most common reason to leave was the desire for better compensation. Additionally, 80% of participants working in 584 Canadian organizations reported being stressed about money and pay issues on a regular basis, while 2% were *very* or *extremely* stressed[77]. This rings especially true for federal public servants: over 40% experienced "substantial problems" with their pay in 2018, and 22% reporting a large or very large impact on their paycheques according to the 2018 annual federal public service employee survey[78].

[75] Statistics Canada Table 14-10-0294-01 https://doi.org/10.25318/1410029401-eng
Statistics Canada. Table 14-10-0294- https://doi.org/10.25318/1410029401-fra (accessed September 17, 2019)

[76] It's never been a better time to find a new job — but do employers realize it? CBC. Brandie Weikle. January 13, 2019 (accessed August 19, 2019)

[77] Welcoming wage increases. Canadian HR Reporter. Sarah Dobson. July 8, 2019 (accessed August 19, 2019)

[78] iPolitics. Marco Vigliotti. Feb 26, 2019. Phoenix had significant effect on pay for over 40 per cent of public servants: poll. https://ipolitics.ca/2019/02/26/phoenix-had-significant-effect-on-pay-for-over-40-per-cent-of-public-servants-poll/ (accessed September 17, 2019)

Salary Forecasts within a tight Canadian labour market (2019)

The labour market certainly influence trends in salary increases. At the same time, declining unemployment and stability in employment levels are indicators that the Canadian economy is doing well. Employers wishing to retain trained staff must increase wages to appropriate levels or risk losing staff should the right opportunity present itself.[79] Indeed, the competitive labour market is influencing wages, which posted a real increase. Year over year wage growth (for all employees) in July 2019 accelerated at 4.5%, the fastest rate in a decade[80] [81]. Projections derived by research conducted by the Conference Board of Canada, Normandin Beaudry, Morneau Shepell, Tower Watson, Mercer and Korn Ferry indicate that employers are planning to increase salaries by an average of between 2.0% to 2.8% in 2019[82] [83].

Observer	Sector	2019 Projected Increase (%)
Conference Board	Public Sector	2.2
	Private Sector	2.7
Normandin Beaudry	All-sector	2.5
Morneau Shepell	All-sector	2.6
	Public Administration	2.8
Tower Watson	Professionals	2.7
Mercer	All-sector	2.6
Korn Ferry	All-sector	2.4

[79] Most Canadian employees are ready to quit their jobs, survey fins. CBC Business. December 16, 2018 (accessed August 13, 2019)

[80] Statistics Canada Table 14-10-0320-02 Average usual hours and wages by selected characteristics, monthly, unadjusted for seasonality (x 1,000) https://doi.org/10.25318/1410032001-eng

[81] Canadian wages hit fastest growth pace in 10 years. CTV News/The Canadian Press. Andy Blatchford. August 9, 2019. (accessed August 13, 2019)

[82] CPQ Salary Forecasts Special Report 2019

[83] Slightly higher salary increases expected for Canadian Workers in 2019. Conference Board of Canada. October 31, 2019.

A population getting ready for retirement and the risk of an increased workload

The tables below highlight the percentage of members by age-band and are sourced from demographic data provided by the Employer as of November 1st, 2016. According the Employer's data, significant cohorts of members of this bargaining unit are currently above 50 and/or above 60 years of age. According to Statistics Canada, in 2018, the average retirement age of a public sector employee was 61 years[84].

CRA (Source: CRA Demographic Data, November 1st, 2016)

50-59	60+	Above 50
32.36%	8.64%	41.00%

Staffing levels and increased workload was presented by Public Services and Procurement Canada as a key risk in their 2017-2018 Departmental Results Report: "*The simultaneous implementation of complex, transformational initiatives within PSPC and throughout the Government of Canada, coupled with budget and time restrictions, can expose the department to risks associated with increased workload and resource constraints, and lead to employee disengagement and stress*."[85].

In the current tightening labour market, the pool of qualified and performing new candidates is shrinking and competition for applicants is rising. With many members sitting at the top of their pay scale and nearing retirement, the Union argues there is a potential for recruitment and retention issues which ought to be considered.

[84] Retirement age by class of worker, annual, Table: 14-10-0060-01, Statistics Canada,https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1410006001

[85] Operating context and key risks—2017 to 2018 Departmental Results Report, Public Services and Procurement Canada, https://www.tpsgc-pwgsc.gc.ca/rapports-reports/rrm-drr/2017-2018/rrm-drr-02-eng.html#a2

The weight of the Public Sector in the Canadian Economy

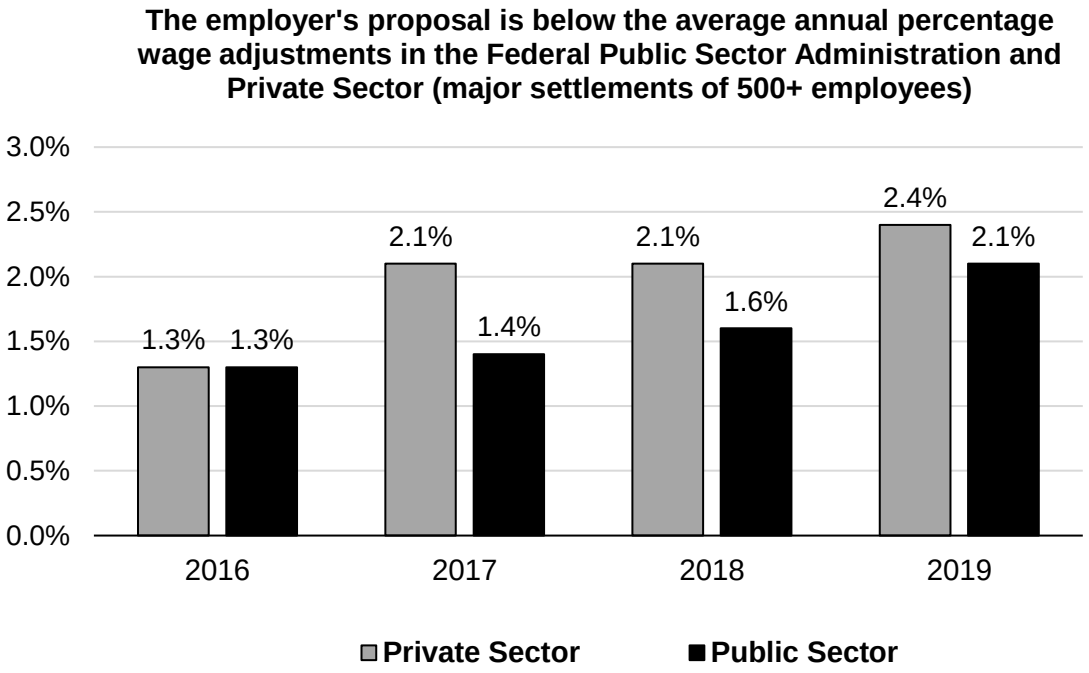
In the last 20 years, Public Sector programs and staff expenses have been trending down, mostly attributed to cuts from the Harper Government, which disrupted Canada's middle-class. In such, the Union suggests that the wages negotiated beyond the Employer's proposal for our members would help reverse this trend and account for a greater and positive impact on the Canadian economy. Public Sector jobs contribute to a social context which favors growth by creating stability hubs throughout economic cycles, by mixing up industries and economic growth in non-urban regions, while maintaining a strong middle-class and reducing gender-based and race inequities in the workforce[86].

[86] Portrait de la contribution de la fonction publique à l'économie canadienne, Institut de Recherche et d'informations socio-économiques, François Desrochers et Bertrand Schepper, Septembre 2019, https://cdn.iris-recherche.qc.ca/uploads/publication/file/Public_Service_WEB.pdf

2. Fairness and relativity within the federal public administration

Broad settlement patterns

The graph below illustrates recent major settlements (500+ employee bargaining units) in the Federal Public Administration and Private Sector as per data published by the Human Resources and Social Development Canada's *Labour Program* (Employment and Social Development Canada)[87].



As illustrated in the graph above, private sector wage settlements under federal jurisdiction was 1.3% for 2016, 2.1% for 2017 and 2.1% in 2018 and 2.4% in 2017. For the same period, it was at 1.3%, 1.4%, 1.6% and 2.1% in the public federal jurisdiction. It also shows that wage adjustments in the public sector have been consistently below the private sector.

[87] Major wage settlements by jurisdiction (aggregated) and sector; Publication date: September 3, 2019
https://www.canada.ca/en/employment-social-development/services/collective-bargaining-data/wages/wages-sector-jurisdiction.html
Règlements salariaux selon la sphère de compétence (agrégée) et le secteur; Date de publication : le 3 septembre 2019
https://www.canada.ca/fr/emploi-developpement-social/services/donnees-conventions-collectives/salaires/salaires-secteur-spheres-competence.html

CRA executive's performance pay

According to figures provided by the Canada Revenue Agency under the *Access to Information Act* executives at the CRA have been taking home a performance pay averaging 13% a year on top of their six-figure salaries between 2016 and 2018 (Exhibit C1).

Under the rules that govern performance pay for CRA executives, those in the top tiers (EX-04 and EX-05) are eligible for performance pay of up to 26 per cent of their salaries. Base salaries for those at the EX-04 and EX-05 levels range from $161,500 to $212,900 a year. In 2017/18, EX-04s and EX-05s at CRA who received performance pay got on average over $35,000.

Similarly, executives in the EX-01 to EX-03 categories are eligible for potential performance pay of up to 15 per cent of their salaries. With salaries ranging from $112,300 to $165,700 in 2017/18, EX-01s, EX-02s and EX-03s at CRA received on average over $14,000 in performance pay.

Overall, the agency spent $6.9 million on bonuses in 2016/2017 and $7.2 million in 2017/2018 good for a 4.1% increase from one year to the other. More specifically the performance pay for the more than five hundred executives classified as EX-01 to EX-03 increased by 6.8% between the same years.

These increases are the result of a sudden raise in June 2018 of lump sum performance awards in recognition of achieving a level 3 or 4, the most common performance ratings for executives at the CRA. This raise alone would have accounted for a 4.5% increase in performance award for an average executive achieving the same performance rating as in the previous year.

Historically around one per cent of executives fail to receive any performance pay. The Union submits that these types of bonuses form part of management salaries and these rapid increases in performance pay should be taken into account when considering the internal comparability within the organization.

Recent and relevant settlements in the Federal Public Sector

During the previous round of bargaining Treasury Board renegotiated most of its collective agreements with the various federal bargaining agents for the 2014 to 2018 period. Moreover, in early summer 2019, other bargaining agents in the federal public administration including the Professional Institute of the Public Service (PIPSC), the Association of Canadian Financial Officers (ACFO) and the Canadian Association of Professional Employees (CAPE) reached tentative agreements with the Treasury Board (Exhibit C2). While CRA never tabled a formal wage proposal there were indications from the Employer during bargaining that this bargaining unit would have to replicate what the PA group has negotiated for wages with Treasury Board.

However, since the separation of the Agency from the Treasury Board PSAC-CRA-PSAC settlements have never followed the PA Group settlement pattern, and therefore to use the PA group is to effectively ignore years of bargaining history between the parties. Indeed, the employer proposed a ‘me-too’ clause for CRA wages that was thoroughly rejected by the Union and its membership. It was in fact a key factor behind the strike vote undertaken by the Union in the last round of negotiations.

As it will be demonstrated further below, the Union submits that when looking at the bargaining history a much better comparator is the PIPSC-CRA AFS group.

PSAC settlements under the Federal Public Sector Labour Relations Act (2016-2017)

The PSAC and Treasury Board came to tentative agreements for the PA, SV, TC and EB groups late 2016 and early 2017. Those 4 agreements were signed by the parties in June 2017. Members received economic increases of 1.25 percent for each year of the 4-year agreement. It is important to note however that those 4 agreements included additional wages adjustments in 2016, beyond the 1.25% general economic increases.

The following table summarizes recent settlements reached by PSAC bargaining units in the core public administration for 2016 and 2017.

	Economic Increase		Group specific adjustments
Bargaining Unit	**2016**	**2017**	
Program and Administrative Services (PA) Group	1.25	1.25	Effective June 21, 2016: 0.5% wage adjustment for all groups and levels $650 Signing bonus
Operational Services (SV) Group	1.25	1.25	Effective August 5, 2016, market and wage adjustments for the following group: Firefighters (FR): 15% Heating, Power and Stationary Plant Operations **(**HP): 15%, Vehicle Heavy Equipment Maintaining (GL-VHE): 9% Electrical Installing and Maintaining (GL-EIM): 6% Ship' Crew (SC): 5% GL-MAM: 2.5% GL-AMW: 2.5%, GL-AIM: 2.5%,

			GL-MST: 2.5%, GL-PRW: 2.5%, GL-GHW: 2.5%, GL-INM: 2.5%, GL-MAN: 2.5%, GL-MOC: 2.5%, GL-PIP: 2% GL-WOW: 2% LI group: 1.5%, GS: 0.75% HS: 0.75%, GL-COI: 0.5% GL-MDO: 0.5% GL-ELE: 0.5%, GL-PCF: 0.5%, GL-SMW: 0.5%, PR(S): 0.5%,
Technical Services (TC) Group	1.25	1.25	Effective June 22, 2016: **TI group (Aviation, Marine, Railway Safety)** Terminable allowance rolled in the rates of pay and each level will receive an additional increment of 4%. **TI group (Measurement Canada)** new allowance of $3,000 per year. **TI (Labour Affairs Officers)** new allowance of $3,000 per year for employees working at ESDC as Labour Affairs Officers at level TI-05. **EG group** EG allowance rolled in the rates of pay **EG group (Fleet Maintenance Facilities)** a new allowance of $2,500 per year for EG-06 level working at Fleet Maintenance Facilities.

			PI group: all levels of the PI Group will receive an additional increment of 4% **Fishery Officer**: new allowance of $3,000 per year. **Enforcement and Wildlife Officers** new allowance of $3,000 per year for Enforcement and Wildlife Officers who are fully designated with peace officer powers. **GT group – Search and Rescue Coordinators** employees at GT-05 level working at Canadian Coast Guard in a Joint Rescue Coordination Centre or Maritime Rescue Sub-centre will receive a new annual allowance of 4%. $650 Signing bonus for members who did not receive a group specific salary adjustment.
Education and Library Science (EB) Group	1.25	1.25	Effective July 1st 2016, market adjustment on all rates of pay for the following group: ED-EST 12 month – 4% And roll-in into wages of the $2,400 annual allowance. ED-EST 10 month – 3% LS – 3 % EU – 0.5% ED-EDS – 0.5% ED-LAT – 0.5% $650 Signing bonus

(Exhibit C3)

PA Group (Program and Administrative Services)

The agreement for this group provided for an additional adjustment in 2016 of 0.5% for all classifications and all levels. The PA agreement also included $650 Signing bonus for all our members of the bargaining unit. This agreement represented the first agreement signed over this cycle of bargaining in the core public service.

SV Group (Operational Services)

Over and above the 1.25% negotiated in every of the 4 year of the collective agreement, all classifications contained in the SV group received in 2016 an additional market or wage adjustment. Those market and wage adjustments ranged from 15% to 0.5%. It is worth mentioning that both the FR and HP classification received a 15% market adjustment, 9% for GL-VHE, 6% for GL-EIM and 5% for SC. (Exhibit C3)

EB group (Education and Library Science)

Here again, the agreement contains significant monetary improvements to compensation for PSAC members. Over and above the 1.25% negotiated in every of the 4-year of the collective agreement, the tentative agreement contains further market adjustments for all occupations in the bargaining unit. Effective July 1, 2016 ED-EST 12 months' teachers received a 4% market adjustment. ED-EST 10 months' teachers and LS's received a 3% market adjustment. (Exhibit C3)

TC Group (Technical Services)

The TC tentative agreement contains significant improvements to monetary compensation. Further to the economic increases, the agreement includes a 0.5% wage adjustment in 2016 for all members, as well as allowances paid to specific occupations. Enforcement and Wildlife Officers at Environment and Climate Change Canada who are fully designated with peace officer powers now receive a new annual allowance of $3,000, for members GT-02, GT-03, GT-04 and GT-05 levels. Fishery Officers now receive a new annual allowance of $3,000 for members at the GT-02, GT-03, GT-04 and GT-05 levels.

Technical Inspectors at Measurement Canada now receive a new annual allowance of $3,000, for members at the TI-03, TI-04, TI-05, TI-06, and TI-07 levels. Labour Affairs Officers at the TI-05 level now receive a new annual allowance of $3,000. Technical Inspectors at Measurement Canada now receive a new annual allowance of $3,000, for members at the TI-03, TI-04, TI-05, TI-06, and TI-07 levels. An additional increment of 4% was also added to the maximum rate of pay of PI levels. (Exhibit C3)

FB Group (Border Services)

The final of the 5 PSAC Treasury Board groups to reach a settlement, the FB agreement contains significant increases beyond the 1.25% annual wage increases. The FB-3 group saw a market adjustment via grid restructuring worth over 13% increase in pensionable wages in 2016 above the 1.25% wage increase, while FB-4 through to FB-7 saw an additional $2500.00 increase to the job rate in 2016, again on top of other grid adjustments worth in excess of 3% of pensionable wage increases for 2016. (Exhibit C4)

Parks Canada

Again, as has been the trend since the PA agreement was reached at the end of 2016, the PSAC settlement with Parks Canada – another separate national agency – saw wage adjustments above and beyond what was agreed at the PA table. Over and above the 1.25% negotiated in every of the 4 year of the collective agreement, all classifications contained in the Parks group received in 2016 an additional market or wage adjustment. Those market and wage adjustments ranged from 15% to 0.5%. It is worth mentioning that both the HP classification received a 15% market adjustment, 9% for GL-VLM, 6% for GL-EIM and 5% for SC-DED. Also, there was considerable grid restructuring for a number of groups. (Exhibit C5)

The fact is that all of the PSAC agreements reached with the Treasury Board – and agencies such as Parks Canada - since the PA settlement contain a myriad of increases beyond the annual 1.25% increase and a 0.5% market adjustment. In this sense, the Union

proposal follows the pattern established elsewhere in the federal public service – including the largest separate employer in the public service. The table below further illustrates this, as virtually every large employer in the core public service has settled on economic increases that exceed the initial PA agreement.

Other settlements for units under the Federal Public Sector Labour Relations Act (2016-2017)

The following table summarizes recent settlements reached by non-PSAC bargaining units in the core public administration.

	Economic Increase		Group specific adjustments
Bargaining Unit	**2016**	**2017**	
Applied Science and Patent Examination (SP [AC, AG, BI, CH, FO, MT, PC, SG-PAT, SG-SRE])	1.25	1.25	Restructure pay scale SG-SRE group: SG-SRE 3, 4 and 5: Remove 1st step for each level and add one step at the top of each level. SG-SRE- 6: Add one step at the top. SG-SRE 7 and 8: Remove 1st step for each level and add one step at the top of each level. Restructure of the pay scale for the AC group: AC-1: Remove 4 steps from the bottom of the AC-1 pay scale and add one step at the top of the AC-1 pay scale. AC-2: Add one step at the top of the AC-2 pay scale. Harmonization of pay scales for the Agriculture (AG), Biological Science (BI), Chemistry (CH) groups and added steps at the top of scale. Forestry (FO) Group: added steps at the top of the pay scale. Meteorology (MT) group: 1% wage adjustment to all pay rates MT-2 to MT-7.

	Economic Increase		Group specific adjustments
Architecture, Engineering and Land Survey (NR [AR, EN])	1.25	1.25	Land Survey Group Pay Restructure, effective April 1, 2016 EN-SUR 3: add 1 additional increment (3.0%) to the maxima EN-SUR 4: add 1.5 additional increments (3.0%, 1.5%) to the maxima EN-SUR 5: add 1 additional increment (3.0%) to the maxima EN-SUR 6: add two 2 increments (3.0%, 3.0%) to the maxima 1% wage adjustment, effective April 1, 2016, for all Engineers (EN-ENG), Land Surveyor (EN-SUR) Level 1 and 2, and all Architects (AR). 0.25% wage adjustment, effective October 1, 2017, for Engineers (EN-ENG) at levels 3 and 4, and also for Architects (AR) at levels 4 and 5.
Audit, Commerce and Purchasing (AV [AU, CO, PG])	1.25	1.25	Effective June 22, 2016 AU - market adjustment of 1% to all levels. New increment of 3% for AU-1 to AU-6. PG - market adjustment of 1%. PG1- to PG-4 - new increment of 1.25%
Computer Systems (CS)	1.25	1.25	Effective April 1, 2016, a wage adjustment of 1.0% of the base pay is provided for the CS-01, CS-02, CS-03 and CS-04 groups and levels.
Economics and Social Science Services (EC)	1.25	1.25	Effective June 22, 2016, a 1% wage adjustment is added to the base rates of pay for all levels of the EC group
Electronics (EL)	1.25	1.25	A 2% wage adjustment added to the maximum salary step of each level, EL-01 to EL-09, prior to the September 1, 2016, economic increase.
Financial Management (FI)	1.25	1.25	1% wage increase for all FIs effective November 7, 2016 prior to and in addition to the 2016 annual economic increase

	Economic Increase		Group specific adjustments
Health Services (SH [DE, ND, MD, NU, OP, PH, PS, SW, VM])	1.25	1.25	NU/OP, nearly eliminated regional rates of pay, from 9 to 2. NU isolated communities - enhance recruitment allowance by $1000. DE/MD - 4% market adjustment. PS - 4% market adjustment and consolidation of the regional rates for the terminable allowance for Masters Level Registered Psychologists of the PS group in a single amount of six thousand dollars ($6,000) for all regions.. NU EMA-2.5% wage adjustment at top step. PH - elimination of first 3 steps.
Non-Supervisory Printing Services (PR(NS))	1.25	1.25	Effective October 1, 2016, a 0.5% wage adjustment is added to the base rates of pay for all levels of the PR-NS group.
Radio Operations (RO)	1.25	1.25	Effective May 1, 2016, a 0.5% wage adjustment is added to the base rates of pay for all levels of the RO group.
Research (RE [HR, MA, SE, DS])	1.25	1.25	Effective October 1, 2016 - MA-01 to MA-07 - new increment of 3.45%. SE RES-01 to SE RES-05 - new increment of 3%. HR - market adjustment of 1%.
Ship Repair (All Chargehand and Production Supervisor Employees Located on the East Coast) (SRC)	1.25	1.25	On April 1, 2016, prior to any economic increase, provide all employees with a 1% wage adjustment; On April 1, 2017, prior to any economic increase, roll-in of the Self Directed team premium of 1.75%.
Ship Repair (East) (SRE)	1.25	1.25	Provide all employees with a 0.5% wage adjustment. This is to be done on January 1, 2017. Move all employees in Pay Group 5 and Pay Group 6 to the maximum rate of pay. Provide all employees a one-time wage equalization payment of $650.

	Economic Increase		Group specific adjustments
Ship Repair (West) (SRW)	1.25	1.25	Provide all employees, except for the Apprentices group, with a 3% wage adjustment; Adjust the starting rates of the Apprentices to 50 % of the increased pay rate of pay group 6 and then adjust all other rates of the Apprentices pay accordingly. These are to be done on January 31, 2017 prior to the economic increase.
Translation (TR)	1.25	1.25	All TR group pay scales will be adjusted by 0.75% retroactive to April 19, 2016. In addition, another scale adjustment of 0.50% will be applied on April 19, 2017.
University Teaching (UT)	1.25	1.25	Effective July 1, 2016 UT-01 2.5% market adjustment UT-02 2.0% market adjustment UT-03 and UT-04 3.0% market adjustment
CRA-AFS Group	1.25	1.25	Effective December 22, 2016 - market adjustment of 2.5%

(Exhibit C3)

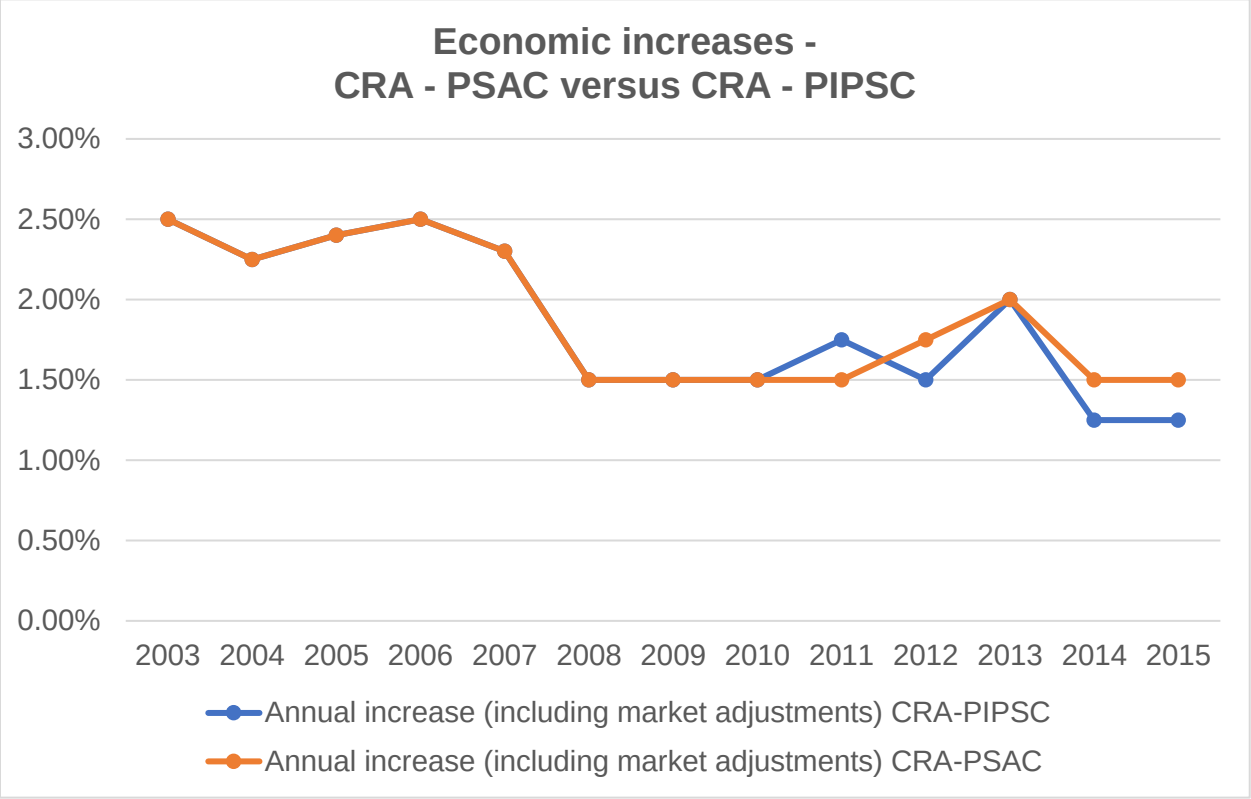
Again of all the collective agreements with Treasury Board and the Agencies listed most bargaining units have received some additional monetary compensation or resolved long-standing operational issues.

A critical point for our purposes in this round of bargaining is the fact that the CRA has agreed to an additional increase for the AFS group. The agreement between PIPSC and CRA for the AFS group contains a wage adjustment of 2.5% in 2016, over and above the negotiated economic increases of 1.25% per year from 2014 to 2017 (Exhibit C6)

As clearly expressed by the TC Group Public Interest Commission report, this additional monetary compensation forms part of the federal public service "pattern settlement":

> *The commission also observes that other negotiated settlements, arbitration award and the recommendations of other Public Interest Commissions also included additional monetary items […] In addition the parties agreed to a variety of specific, targeted adjustments were made in a number of bargaining units. The commission has concluded that these adjustments form part of what we refer to as "pattern". (PSLRB 590-02-11*) (Exhibit C7)

The Union respectfully submits that the bargaining history of the CRA-PSAC and the CRA-PISPC bargaining units demonstrates that there is a pattern of identical economic increases between both groups as illustrated in the graph below.



When looking at the bargaining history of the CRA-PSAC versus the CRA-PISPC bargaining units, the 1.5% in 2014 and 2015 would represent the only past deviation from what was agreed to in terms of economic increases for the CRA-AFS group since the turn of the century. However, the economic increases in 2014 and 2015 for the PSAC-CRA bargaining unit are the result of an arbitral decision following a re-opener agreement. Prior to the arbitral decision the employer had agreed to an additional 0.25% being paid in both 2014 and 2015 respectively in consideration for the elimination of severance for the purposes of retirement and resignation. When taking into account that the 1.50% increase for 2014 and 2015 include a 0.25% that the employer agreed to in compensation for the elimination of severance for voluntary departure, it effectively means that the economic increase for 2014 and 2015 was 1.25% for each year.

Internal comparability is a clearly enunciated factor in section 148 of the FPSLRA, which states:

> *(c) the need to maintain appropriate relationships with respect to compensation and other terms and conditions of employment as between different classification levels within an occupation and as between occupations in the public service;*

In keeping with the legislative imperatives, the Union respectfully submits that the compensation discrepancy that now currently exists between PSAC members at CRA and their counterpart working in the PISPC bargaining unit as a result of the additional 2.5% market adjustment in 2016 must be taken into account.

FPSLREB Arbitral Awards (2016-2017)

In addition to the increases voluntarily negotiated as cited above, there have been a number of interest arbitration awards issued for the 2016-2017 time period as that which is in question for this round of negotiations with the CRA. A list of the awards and outcomes with respect to wage increases including market adjustments can be found below.

Bargaining Unit	2016	2017
House of Commons Operations	1.5%	1.5%
House of Commons Postal Services	1.5%	1.5%
Ships' Officers (SO)	16.25%	1.25%
Law (LP)	2.25%	1.25%
Canadian Security Intelligence Service	3.00%	1.25%
Statistical Survey Operations (RO)	5.25%	1.25%
Statistical Survey Operations (FI)	5.25%	1.25%

(Exhibit C8)

As the chart above clearly demonstrates, the vast majority of groups that have sought interest arbitration to settle collective bargaining disputes with a FPSLREA employer have been awarded additional wage adjustments or higher economic increases in 2016 and 2017. The Union submits that clearly arbitration boards under the FPSLREA have understood that settlement trends since the PA agreement was reached point to greater economic increases than what was agreed to at the end of 2016.

PSAC settlements* signed with separate agencies & federally funded organizations *(2018-2019)

Further wage settlements have also been negotiated by the PSAC for federally funded or partially federally funded sectors for 2018 and 2019. The following table summarizes settlements reached by those PSAC bargaining units:

Bargaining Unit	**Economic Increase**	
National Units	**2018**	**2019**
NAV Canada (Multi-Group)	4.0	3.0
Royal Canadian Mint	2.0	2.0
Staff of Non-Public Funds	**2018**	**2019**
Kingston – Operational	2.85	n/a
Valcartier – Operations/Admin	3.0	n/a
Goose Bay – Operations/Admin	1.5	n/a
MTL/St. Jean – Operational	2.5	n/a
Bagotville – Operations/Admin	2.85	n/a
Bagotville – Operations/Admin	2.85	n/a
Trenton – Admin Support	1.5	n/a
Suffield, AB – NFP	2.75	n/a

Other settlements for units under the Federal Public Sector Labour Relations Act (2018-2019)

As for settlements reached by other unions for 2018 and 2019, the wage settlement data below demonstrates again that any economic increases including market adjustment short of 2.5% per year would fall below relevant recently negotiated settlements in the public sector when taking into account the recurring market adjustments.

The following table summarizes recent settlements reached by bargaining units in the core public administration and at the Canada Revenue Agency.

		General Economic Increase		Additional Wage Adjustments
Group	**Union**	**2018**	**2019**	
Canadian Revenue Agency - AFS Group	PIPSC	2.0	2.0	0.8% in 2018 and 0.2% in 2019
Audit, Commerce & Purchasing (AV)	PIPSC	2.0	2.0	Up to 2.25% in 2018
Health Services (SH)	PIPSC	2.0	2.0	Up to 2% in 2018
Applied Science and Patent Examination Group (SP)	PIPSC	2.0	2.0	0.8% in 2018 and 0.2% in 2019
Engineering, Architecture and Land Survey (NR)	PIPSC	2.0	2.0	0.8% in 2018 and 0.2% in 2019
Electrical Workers	IBEW	2.0	2.0	0.5% in 2020
Financial Management	ACFO	2.0	2.0	0.8% in 2018 and 0.2% in 2019
Nuclear Safety Comm. (NuReg)	PIPSC	2.0	2.0	0.8% in 2018 and 0.2% in 2019
TR Group	CAPE	2.0	2.0	0.8% in 2018 and 0.2% in 2019

EC Group	CAPE	2.0	2.0	0.8% in 2018 and 0.2% in 2019
National Film Board	PIPSC	2.0	2.0	0.8% in 2018 and 0.2% in 2019
National Research Council (RO/RCO, AS, AD, PG, CS, OP)	PIPSC	2.0	2.0	0.8% in 2018 and 0.2% in 2019

The above-listed settlements include up to an additional 2.25% in compensation in 2018 and often an additional 0.2% in 2019. It is also noteworthy that the vast majority of these agreements include additional monetary gains beyond across-the-board, general economic increases.

In summary, the Union's proposals concerning economic increases reflect broader economic trends both inside and outside the federal public service. As has been demonstrated here, the Union's position with respect to wages is reasonable when considering economic forecasts and inflationary patters and when looking at recent core public administration settlements. Furthermore, the Union submits that the CRA-AFS group is a better comparator than the Treasury Board PA group and therefore we would respectfully request that the recent pay discrepancy be addressed by the commissions.

3. Fairness with respect to persons in similar positions in the federal public service

The compensation principle that wages should be determined in relation to relevant comparators is standard in interest arbitration and consistent with the criteria set out in the parties agreed-upon binding conciliation parameters.

While it is true that the PSAC bargaining unit at CRA has a unique bargaining history, the Union submits that if a comparator is to be found in the broader federal public administration the most appropriate for this group would be the non-uniformed personnel in the Border Services FB group. PSAC members working for what are now Canada Border Service Agency and Canada Revenue Agency were part of the same bargaining unit and worked for the same employer up until 2004. For several years' employees of CCRA and subsequently Canada Border Services Agency and Canada Revenue Agency shared the same occupational groups and salaries and were working alongside each other. After CCRA's separation into two separate agencies, separate bargaining units were created.

For some time, both groups continued to share the same occupational group structure but both agencies subsequently moved to introduce their own occupational groups and classification standards. Through this process and through multiple rounds of bargaining, employees that used to receive similar pay while they were sharing the same occupational group are now receiving vastly different salaries even though the work performed is still largely similar across both agencies (in terms CRA employees and non-uniformed personnel at CBSA).

The employer has argued that any comparison with CBSA is inappropriate because the FB group is composed of uniformed and armed enforcement personnel with vastly different working conditions. However the FB group is not entirely composed of uniform employees;

Indeed almost a third of the FB group is composed of non-uniform members working in office settings. Most of these are day workers, performing what is generally considered "white collar" work. These employees do program, audit and policy work similar to what is being performed by members of the PSAC-CRA bargaining unit. Like CRA, CBSA has employees working in call center settings. Again, while every bargaining unit in the federal public service is unique, CRA and CBSA employees used to work alongside each other, sharing the same occupational group and classification system. Today, they continue to perform duties that are analogous and yet their compensation is significantly different.

Furthermore, the Union notes that the CCRA bargaining unit was carved out of the PA bargaining unit in 1999. Thus while non-uniform workers at CBSA were in the same bargaining unit and working for the same employer as recently as 2004, it has been a much longer period since CRA workers were associated with the PA group.

The factor of comparability has been applied by virtually all arbitrators as a criterion in determining of wages and working conditions. For example, as Arbitrator Kenneth stated:

> *Fairness remains an essentially relative concept, and it therefore depends directly upon the identification of fair comparisons if it is to be meaningful; indeed, all of the general stated pleas for fairness inevitably come around to a comparability study. It appears to me that all attempts to identify a doctrine of fairness must follow this circle and come back eventually to the doctrine of comparability if any meaningful results are to be achieved.*[88]

This principle is reinforced by Section 148 of the FPSLRA, which states:

> *(…) the necessity of offering compensation and other terms and conditions of employment in the public service that are comparable to those of employees in similar occupations in the private and public sectors.*

[88] Kenneth Swan, The Search for Meaningful Criteria in Interest Arbitration, (Kingston: Queens University Industrial Relations Centre, 1978) (Exhibit P)

To ensure comparability and competitiveness with terms and conditions of employment in similar occupations in the federal public service, the Union proposed that effective November 1st, 2016, prior to applying economic increase, a wage adjustment of 9% to all levels of the Appendices A, A-1 and A-2.

The proposed adjustment is based on wage comparison between the salary at the Canada Border Service Agency and the Canada Revenue Agency for similar occupations.

Since both agencies have introduced a new classification system for their employees, it is imperative to refer back to the old Treasury Board Occupational group and classification to perform such a comparative analysis.

The MG-SPS classification was first introduced into the CRA collective agreement that expired in 2003, shortly after the PSLRB Decision that determined the PSAC would remain as the bargaining agent for these workers at CRA. Positions classified as PM, IS, AS, CR, etc. that were supervisory in nature were converted to this new classification and consequently, new wages were negotiated following this conversion.

The new SP classification came into effect in November 1, 2007 after a classification review was completed. Non-supervisory positions classified as PM, IS, AS, CR, etc. that were converted to this new classification and consequently, new wages were negotiated following this conversion.

The conversion table that represents the corresponding SP levels for most of the former classifications can be found in Appendix B of the current collective agreement (Exhibit C9). Appendix B clearly indicates which SP positions were in fact former classifications that Treasury Board is still using.

For ease of reference, this grid is reproduced below. It shows where the majority of previous occupational groups and levels were converted to the SP occupational group and level.

SP-01	SP-02	SP-03	SP-04	SP-05
CR-01	CR-03	CR-04	AS-01	AS-02
CR-02	DA-PRO-02	DA-PRO-03	CR-05	DA-PRO-05
DA-CON-01	GS-STS-03	GL-MAN-06	DA-PRO-O4	DD-04
DA-CON-02	GS-STS-04	ST-OCE-03	GT-02	GT-03
GS-PRC-02	ST-OCE-02	ST-SCY-02	PG-01	IS-02
			PM-01	OM-02
			PR-COM-03	PM-02

SP-06	SP-07	SP-08	SP-09	SP-10
AS-03	AS-04	AS-05	AS-06	AS-07
PG-02	GT-04	GT-05	GT-06	IS-06
PM-03	IS-03	IS-04	IS-05	PG-05
	OM-03	OM-04	OM-05	PM-06
	PG-03	PG-04		
	PM-04	PM-05		

The new classification standard for the FB group was created in 2009. The FB group included former CCRA employees as well as former Immigration and Citizenship Canada and the Canadian Food and Inspection Agency employees that were absorbed into the FB bargaining unit.

The following grid shows where the previous occupational groups and levels were converted to FB occupational groups and levels.

FB	Previous Occupational Group	Previous Department	Total
2	PM 01	CRA	4
		IMC	10
	PM 02	CRA	66
		IMC	30

3	EG 01	CFIA	3
	EG 02	CFIA	2
	EG 03	CFIA	10
	EG 04	CFIA	3
	PM 01	CFIA	1
	PM 02	CFIA	62
		IMC	114
	PM 03	CRA	4721
		IMC	680
	PM 04	CRA	40
4	PM 03	CFIA	1
		CRA	94
	PM 04	CRA	663
		IMC	219
	PM 05	IMC	15
	PM 06	CRA	3
5	EG 04	CFIA	1
	MG 03	CRA	448
	PM 04	CFIA	2
		CRA	168
		IMC	81
	PM 05	IMC	3
6	MG 04	CRA	98
	PM 05	CRA	239
		IMC	56
	PM 06	CRA	1
7	MG 04	CRA	20
	MG 05	CRA	49
	PM 05	CRA	2
8	EX 00	CRA	47
	MG 06	CRA	123
	PM 05	CRA	2
	PM 06	CFIA	1
		IMC	29

The table below clearly demonstrates how the wages of employees who used to be part of the CCRA, who used to share the same occupational group and classification level, have grown over time.

Old Classification	New Classification	Rates (November 1st, 2016)
PM2	FB2	$70,642
	SP-05	$63,848
	% diff	10.64%
PM3	FB3	$81,394
	SP-06	$69,081
	% diff	17.82%
PM4	FB4	$85,341
	SP-07	$74,747
	% diff	14.17%
MG-03	FB5	$93,069
	MG-SPS 03	$81,587
	% diff	14.07%
PM-05	FB6	$102,258
	SP-08	$87,845
	% diff	16.41%
MG-05	FB7	$113,247
	MG-SPS-05	$108,759
	% diff	4.13%
MG-06	FB8	$123,833
	MG-SPS-06	$119,512
	% diff	3.62%
Average difference		**10.5%**

Methodological Notes:

1) The PM3-FB3-SP05 shown in the above table is excluded from the average calculation as most of the FB3 population at CBSA are either Border Service Officers or Inland Enforcement Officers. There are no equivalent positions for employees doing this work at the CRA.

2) The comparison also focusses exclusively on the old PM and MG classifications as those 2 classifications represent the majority of the classifications that were converted to FB.

As explained in the notes, the PM3-FB3-SP05 shown in the above table are excluded from the average calculation since most of the FB3 population at CBSA are either Border Service Officers or Inland Enforcement Officers and there are no equivalent positions for employees doing this work at the CRA. However, even when excluding these positions the average wage disparity is 10.5%. The Union submits that its proposal for a market adjustment is entirely reasonable given the current discrepancy between the salary of PSAC employees working at the CRA with its closest logical comparator - non-uniform personnel working in the Border Services bargaining unit.

In conclusion, the Union believes there is no cogent reason as to why the PA group is the most appropriate comparator as per the Employer position during bargaining. The government and the PSSRB in 1999 concluded that in fact it made sense to carve out these workers from the PA bargaining unit. What's more, at the time both the government and the PSSRB felt that it was more appropriate for positions currently held by non-uniform personnel at CBSA to be combined in the same operational group structure as positions currently represented by PSAC at CRA. While it's true that the bargaining unit was split five years later, CRA workers never returned to the PA group and have been independent ever since – so much so that a new classification structure, separate from the Treasury Board PA model, was negotiated and implemented in 2004. This reality, coupled with the discrepancy with respect to salary between the members of the CRA group and comparable positions within the CBSA, must be taken into account. In light of all of these facts, the Union respectfully requests that the Commission include in its recommendations the 9 % wage proposed by the Union, in order to close the gap between CRA workers and their most appropriate comparators.

PART 4

SUMMARY

Long standing - problems remain unaddressed at the Canada Revenue Agency. Expansion of evening and weekend work. Proposed increases in shift work. Low morale in CRA call centres. Employees working for the Agency for years as temporary workers without opportunity to become permanent. This precarious employment regime covers more than one in four PSAC members at the CRA, many of whom work in call centres. Well over two thousand students worked at CRA this past year doing in many cases Union work. Work/life balance issues are unresolved – including increased access to telework – despite the Government of Canada stating that telework should be encouraged in federal workplaces.

The position taken by the Union in negotiations for this round of bargaining has been to improve protections for employees and to fix problems in the workplace. In most cases, the Union is proposing to fix problems by proposing solutions that are well established in the unionized world, including the federal public sector.

In terms of hours of work, the Union is seeking to introduce basic protections that are common in the unionized public and private sectors. With respect to the scheduling of work hours, the Union's proposal are taken in some cases almost verbatim from core public service agreements and recent PSLRB arbitration awards and PIC recommendations. The Union's call centre proposals would alleviate the on-going labour relations issues related to call centre employee working conditions.

With respect to leave, the Union's proposals serve either to protect practices that are currently in effect, or to provide enhanced work-life balance for employees – a goal the Agency has espoused on its own website.

Because of the harsh collective bargaining restrictions imposed on the employees and their Union under the PSLRA, there are serious matters that remain in dispute between the parties that are not addressed in this brief or as part of the Public Interest Proceedings. Furthermore, there are other matters that the parties are unable to address via collective

bargaining altogether because of restrictions contained in the Act. The Union submits that these restrictions should also be taken into account by the panel in its deliberations concerning the content of a recommendation. The Act refers to the panel taking into account public and private sector norms. The Union points out that the restrictions contained in the PSLRA do not exist under other collective bargaining regimes in Canada, in either the public or private sectors.

The Act speaks to relativity with the federal public service and the broader public sector. As has been clearly demonstrated in this brief, there are a great many areas where workers at the CRA lag behind other federal workers. Those few areas where the Union is proposing changes that are not necessarily common place in the federal public service are intended to fix problems and ensure that fair rules concerning compensation and other matters are in place.

In light of these facts, the Union respectfully submits that the proposals that it has submitted to the Public Interest Commission are fair and reasonable, are geared towards ensuring that the CRA is able to recruit and retain employees and are consistent with public and private sector norms. Consequently, the Union respectfully requests that they be included in the PIC's recommendation.