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WITH NEGOCIATION, EVERYBODY WINS !

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Central table: two sides far apart

The Common Front representatives at the central bargaining table have had several bargaining sessions with the government in recent weeks. Here's where talks are at:

Pay

Last November, the government had announced that it intended to limit the increase in " labour costs " to 7 % for a five-year collective agreement. What precisely does it mean by " labour costs " ? These include pay, but also any additional expenditure incurred by the government for such things as salary relativity and the maintenance of pay equity, as well as the results of bargaining at sectoral tables.

The government's response obviously gave rise to many questions. Some people even reported - erroneously - that the government was offering a 7 % raise in pay over 5 years. This is simply wrong. On January 14, at the request of the Common Front, Conseil du trésor negotiators clarified the government's offer on pay.

The government is offering :

2010	0.5 %
2011	0.75 %
2012	1 %
2013	1.25 %
2014	1.5 %
Total for 5 years	5 %

This offer is accompanied by a clause that could provide an extra 1.5 % over two years in 2013 and 2014, if the economic indicators confirm that the recovery is stronger than expected.

For example, the government has forecast the cumulative growth in the Gross Domestic Product (GBP) at 12.7 % for 2010, 2011 and 2012. If economic growth were to exceed this forecast, the government would pay a supplement of up to 0.75 % of salary, depending on how much the economic growth there actually is. The same would apply for 2014, with the possibility of a second 0.75 % supplement – for a total of 1.5 % over two years.

What's important to realize is that in all cases, the government's offer would inevitably leave government employees poorer, with significantly less purchasing power.

The following table compares the government's offer with the probable inflation trends, according to Desjardins[1]

Year	Rate of inflation	Management's offer	Loss of purchasing power
2010	1.7 %	0.5 %	-1.2 %
2011	2.1 %	0.75 %	-1.35 %
2012	2.5 %	1 %	- 1.5 %
2013	2.3 %	1.25 %	-1.1 %
2014	n/d	1,5 %	n/d

[1]Desjardins, Études économiques, Volume 14/Automne 2009

On the basis of the data available at the present time and the detailed projections for inflation given above, it can be concluded that the government's offer would lead to loss in purchasing power of between 3.5 % and 5 %, depending on the economic situation.

Note that the Common Front's demand is for a 2 % raise in each year of a three-year collective agreement. As well, the Common Front wants to catch up with pay for other Québec workers through the addition of an amount equal to 1.75 % of the average rate of pay for each year of the collective agreement. We are also demanding a supplementary bonus for each year that the growth in the GDP exceeds 3.75 %.

Pensions

Discussions on the RREGOP, the government employees' pension plan, continue at the central table. The government presented its responses to our demands in bargaining sessions held since the end of November. The Conseil du trésor's proposals also include a few employer demands.

The first positive point is that the government agrees with our goal of stabilizing contributions while maintaining the long-term viability of the plan. This said, the parties need to do more work in order to find grounds for agreement.

The government is open to the idea of uncapping the number of years for which an employee can contribute, seeing it as an incentive to retain experienced personnel who want to work a few more years to improve their living conditions in retirement.

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But the government wants to set a new cap of 38 years (instead of the current 35 years).

The government says that it is willing to consider our demand regarding the contributions formula to reduce the basic exemption to 25% instead of 35% of maximum pensionable earnings (MPE) without increasing contributions for low income-earners. But the government's position is that the cost of doing this would have to be funded out of savings elsewhere in the cost of the plan.

The government's demands

The government is making a number of demands. It wants to:

- Update of rates for buying back leave without pay when it is done more than six months after the leave is taken.
- End the possibility of acquiring pension credits. This is a provision that dates back to when the RREGOP was created, allowing for service prior to the creation of the plan to be bought back by employees who had worked in the various institutions covered or that transferred an old plan to the RREGOP.
- Terminate the bank of 90 days credited to employees to compensate for "unforeseeable" situations.
- Increase the actuarial penalty for workers who take early retirement, in addition to adding an age criterion (55) to the criterion of 35 years of service, to be eligible for a pension without penalty;
- Clarify the concept of "eligible employee". We are waiting for explanations on this last demand.

Bargaining calendar

We certainly still have a long way to go. The good news is that the Common Front and the government have agreed on a calendar of bargaining talks that calls for a working session every week between now and March 31 – a definite improvement over the previous round of bargaining.

Mobilized for a good settlement

But more than a calendar of bargaining sessions is needed. As we have seen, there is a very wide gap between our legitimate demands and what the government is now offering. We're going to have to put pressure on the government if we want our bargaining representatives to be able to make it budge. In the past few months, we were able to convince the government and employer associations of the need to negotiate quickly so as to reach a settlement by March 31, 2010. We now have to step up our mobilization. With a view to achieving our goals, the Common Front is organizing three major events aimed at helping us achieve our goals.

FEBRUARY 12

You are invited to reach out to the citizens who are the primary beneficiaries of the services we provide. The operation on the theme of "Workers in public services – at the heart of daily life" will take place in all workplaces in the public sector.

FEBRUARY 22

The bargaining councils of the components of the Common Front will meet simultaneously in the same place in Québec City to take stock of negotiations. At the same time, we will all wear a sticker in all our workplaces emphasizing that there is less than a month left to conclude a satisfactory agreement.

MARCH 20

There will be a big national demonstration in Montréal on March 20. Just over 10 days before the deadline of March 31, 2010 for a satisfactory settlement, this must be a truly impressive demonstration, a massive expression of our determination to obtain new, negotiated collective agreements.

The Common Front must be very visible everywhere during these three major events. You are all invited to participate.