

IN THE MATTER OF the *Postal Services Resumption and Continuation Act*, S.C. 2018, c.25

AND IN THE MATTER OF Arbitrations conducted pursuant to Section 11 thereof

Between :

Canada Post Corporation (“CPC” or the “Employer”)

and

Canadian Union of Postal Workers (“CUPW” or the “Union”)

Affecting :

- (1) the Urban Operations bargaining unit, and
- (2) the Rural and Suburban Mail Carriers bargaining unit

COUNSEL

FOR CPC : John Craig
 Jackie VanDerMeulen
 Dominique L’Heureux

FOR CUPW : Bernard Phillion
 Daniel Boudreault

ARBITRATOR : Elizabeth MacPherson

DATE OF DECISION : June 11, 2020

DECISION

I - BACKGROUND

1. The Canadian Union of Postal Workers (CUPW) is certified to represent two bargaining units at Canada Post Corporation (CPC) : a unit of Rural and Suburban Mail Carriers (RSMC), whose collective agreement expired December 31, 2017 and a unit of Urban Postal Operations employees, whose collective agreement expired January 31, 2018. Commencing in November 2017, the parties engaged in collective bargaining for both bargaining units, but were unable to reach agreement on terms for the renewal of these agreements. Rotating work stoppages began on October 22, 2018.
2. On November 26, 2018, Parliament adopted special legislation, the *Postal Services Resumption and Continuation Act*, S.C. 2018, c.25 (the “PSRCA”), which removed the parties’ right to strike and lockout and imposed an alternative method of dispute resolution, mediation-arbitration, on the parties.
3. On December 10, 2018, the Honourable Patty Hajdu, Minister of Employment, Workforce Development and Labour (the “Minister”), appointed the undersigned as Mediator-Arbitrator pursuant to section 8 of the *PSRCA*. Mediation efforts conducted in December 2018 were unsuccessful and the parties moved to the arbitration phase of the dispute resolution process prescribed in the *PSRCA*.
4. Hearings held on January 16 and 17, 2019 dealt with three preliminary issues related to the arbitration process: identification of the matters in dispute; the form of arbitration; and the conduct of the proceeding. The Mediator-Arbitrator’s decision on these issues was issued on January 24, 2019.
5. At that time, it was anticipated that hearings could be concluded and a decision issued within the time frame set out in the special legislation. This turned out to be an overly optimistic expectation and several extensions of reporting time were sought and obtained from the Minister of Labour. Measures put in place by the federal and provincial governments to deal with the COVID-19 pandemic meant that the final days of hearings had to be held by means of videoconferencing technology, rather than in-person. Hearings ultimately concluded on May 6, 2020.
6. During the course of the hearing, CUPW called the following witnesses: Sylvain Lapointe, Geoff Bickerton, Nicola Presne, Cari-Anne Gordon, Carl Girouard, Sharon Mackey, Stephen Gale, Roland Dandy, Catherine Kennedy, Dr. Edward Shillington, Aimee Stewart, Barbara McMillan, Brahm Enslin, Dr. Daniel Robinson, Jacqualeene Lester,

Debbie Carmichael, Toni MacAfee, François Senneville, Amy Anderson and David Bleakney.

7. CPC provided the following witnesses: Dr. Robert Campbell, Jean Caron, Jean Laurent Rousset, Sanjay Paliwal, Susan Whiteley, Dan Gilbert, Leah Lewis and Robert Bass.
8. Site visits were conducted at postal installations in Kanata, Renfrew, Calabogie, Richmond and Ottawa/Alta Vista.
9. The CUPW introduced 196 exhibits and CPC introduced 92 exhibits.

II – MATTERS IN DISPUTE

10. The parties had reached agreement on a number of matters during the negotiations that preceded the adoption of the *PSRCA* and had withdrawn or abandoned demands on certain other matters. The following items were identified as in dispute as of the date of the Mediator-Arbitrator's appointment and are therefore properly within the jurisdiction of this interest arbitration process:

A – URBAN UNIT

WAGES

COST OF LIVING ALLOWANCE

DURATION OF THE COLLECTIVE AGREEMENT

SHORT-TERM DISABILITY PLAN

INJURY-ON-DUTY LEAVE

UNION EDUCATION FUND

LEAVE FOR OTHER REASONS

RESTRUCTURINGS AND WORK MEASUREMENT/ OVERBURDENING

JOB SECURITY

CONTRACTING OUT / NEW SERVICES

STAFFING IN GROUP 1

PENSION

JOINT PROJECTS

TEMPORARY STAFFING (delivery)

TEMPORARY WORKFORCE TO REDUCE OVERTIME

UPDATING OF EXPIRY DATES IN THE COLLECTIVE AGREEMENT

B – RSMC UNIT

WAGES

COST OF LIVING ALLOWANCE

DURATION OF THE COLLECTIVE AGREEMENT

SHORT-TERM DISABILITY PLAN AND SICK LEAVE
 POST RETIREMENT BENEFITS
 LEAVE FOR OTHER REASONS
 PENSION PLAN
 INJURY-ON-DUTY LEAVE
 UNION EDUCATION FUND
 HOURS OF WORK AND ASSIGNMENTS
 JOB SECURITY
 CONTRACTING OUT AND JOB RETENTION
 COVERAGE OF ALL ABSENCES
 MAINTAINING PAY EQUITY
 JOINT PROJECTS
 WEEKEND PARCEL DELIVERY
 UPDATING OF EXPIRY DATES IN THE COLLECTIVE AGREEMENT

III – CONSIDERATIONS

11. There is extensive jurisprudence setting out the matters to be considered by an interest arbitrator when reaching a decision on the content of a revised collective agreement. It is generally accepted that the role of an interest arbitrator is to “replicate what might have been agreed to by the parties in a free collective bargaining environment where there may be the threat and resort to a work stoppage in an effort to obtain demands” (see *Canadian Union of Public Employees and the Saskatchewan Health Care Sector* (unreported) 1982 (Halvorsan, J.) at p.2 and *Re: Board of School Trustees, School District 1 (Fernie) and Fernie District Teachers’ Association*, (1982) 8 L.A.C. (3d) 157 (Dorsey) at p.159.
12. In *The Governing Council of the University of Toronto and the University of Toronto Faculty Association*, (unreported, March 27, 2006), Mr. Justice Warren Winkler observed “... it must be remembered that it is the parties’ refusal to yield from their respective positions that necessitates third party intervention. Accordingly, the panel must resort to objective criteria, in preference to the subjective self-imposed limitations of the parties, in formulating an award. In other words, to replicate a likely “bargained” result, the panel must have regard to the market forces and economic realities that would have ultimately driven the parties to a bargain.”
13. In addition to the commonly understood principle of replication, subsection 11(3) of the *PSRCA* sets out the following “Guiding Principles” that must be considered by the Mediator-Arbitrator in reaching an award in this case:

- 11 (3)** In rendering a decision or selecting a final offer under paragraph (1)(b), the mediator-arbitrator is to be guided by the need
- a. To ensure that the health and safety of the employees is protected;
 - b. To ensure that the employees receive equal pay for work of equal value;
 - c. To ensure the fair treatment of temporary or part-time employees, and other employees in non-standard employment, as compared to full-time, permanent employees;
 - d. To ensure the financial sustainability of the employer;
 - e. To create a culture of collaborative labour-management relations; and
 - f. To have the employer provide high-quality service at a reasonable price to Canadians.
14. I do not accept CUPW's submission that the statutory criteria supersede the common law principle of replication. In my view, the Guiding Principles set out in the statute supplement the standard criterion that the arbitrator must consider but do not replace it.
15. I note, however, that some of the legislated principles circumscribing the arbitration process work at cross-purposes: ensuring pay equity, the fair treatment of employees in non-standard employment, high quality service and the financial sustainability of CPC are difficult objectives to achieve simultaneously at a price that most Canadians would consider reasonable.
16. Nevertheless, my task is to balance all of these various criteria in order to achieve a final outcome. In so doing, I note and concur with the observations of Arbitrator R.O. McDowell, writing in *Re Chalk River Nuclear Security Officers Assn. and Canadian Nuclear Laboratories*, 2015 CarswellOnt 17331, 125 C.L.A.S. 111, a case cited by CPC:
7. However, not surprisingly, the parties disagreed about many things, including: which factors were particularly helpful to my determination; what the appropriate salary "comparators" were; how to use the available economic or wage data in a concrete way; whether there were gaps in that information or unexamined assumptions that reduced its quality; how much weight should be given to particular criteria or comparators (even if they are "arguably relevant"); how to evaluate the parties' "needs" versus their "wants"; the importance of "history" (from which the Union here seeks to depart); and so on.
 8. And to be fair, the parties were right to engage in that debate; because it is difficult to compare jobs across different employers, of different sizes, in different locations, in different labour or product "markets", or with different institutional objectives or constraints (wholly public, wholly private, some hybrid, market oriented or not, central to public welfare or not, etc.). Likewise as between employers (even public sector

employers) with different purposes, corporate structures, bargaining histories or employee mix — especially without the kind of cross-industry or "value for work" data that would be used for a job evaluation or for "pay equity purposes" within an enterprise (public or private).

9. Because identifying particular employee duties and wage rates at one employer's undertaking does not necessarily mean that employees doing similar things "will" or "should" be paid the same by some other employer somewhere else: larger or smaller, profitable or not, in a different economic setting, with different unions or bargaining history (etc.). Employers are not the same even though most of them employ clerks and cleaners. The context matters too; and the fact that a proposed comparator is also (notionally) "in the public sector", does not provide an unfailing guideline when the "public sector" itself shows such great diversity — including the nature of the "employers" and the bargaining structures. (1)

10. I will say more about that later. **At this point I simply note that interest arbitration is not a true "quasi-judicial" process where "facts" are found and legal principles are applied. It is more "legislative" than "judicial"; and in the result, there may be a range of reasonable (but quite different) outcomes, depending on the selection and weighting of the historical, economic or bargaining criteria that the adjudicator finds persuasive. This is *opinion* not econometrics.**

11. Finally, of course, this arbitration is occurring in a setting where the application of "bargaining power" (the ability to inflict economic pain for gain or to resist such pressure) has been removed from the equation, even though that is often an important determinant of bargaining outcomes. **Because in "real" collective bargaining, preparation and persuasiveness are only part of the picture; which may yield to obstinacy, superior bargaining power, or the dictates of the marketplace. And that is something that arbitration cannot easily simulate.** (2) (emphasis added)

17. The witnesses provided considerable evidence to explain the environment within which the parties operate and the events that brought them to the current dispute. The following is a very brief synopsis and synthesis of the testimony that was presented.

18. Until 1981, the Post Office was a government department. Vestiges of CPC'S origins are still found in the collective agreements, for example, references to job classifications used in the public service that no longer exist at CPC and the defined benefit pension plan modelled on the federal public service superannuation plan. CPC was created in 1981 as a federal Crown Corporation, ostensibly to free it from the strictures of the legislation governing staffing in the public service and to permit it to operate on a more business-like basis. A bargaining unit review conducted by the then Canada Labour Relations Board (CLRB) during the following years resulted in a consolidation of the multiplicity of classification-based bargaining units. Among other things, the CLRB merged the two largest bargaining units (Group 1 inside workers and Group 2 outside

workers) and certified CUPW as the bargaining agent for the merged unit. Given its history, the collective agreement applicable to this Urban Operations bargaining unit is extremely complex.

19. For many years, mail delivery service in rural and suburban areas had been provided by independent contractors who bid for the work through a tendering process. In the course of collective bargaining with CUPW for the Urban unit in 2003, CPC recognized these contractors as employees. The parties agreed to create a separate bargaining unit for the former contractors, now known as the Rural and Suburban Mail Carriers (RSMC) unit, and negotiated a separate collective agreement for them. Although the Urban and RSMC collective agreements have different expiry dates, negotiations for their renewal have been conducted simultaneously since 2016.
20. Over the years since the rural and suburban carriers were recognized as employees, CUPW has endeavored to gradually align their terms and conditions of employment with those of the Urban unit. CPC has resisted this initiative, contending that there are significant differences in the work environment of the two units that justify the different collective agreement provisions. Most recently, a lengthy pay equity exercise, conducted under the auspices of Arbitrator Maureen Flynn, resulted in an award establishing pay equity for the predominantly female RSMC unit. Arbitrator Flynn found that the letter carrier (LC) group in the Urban bargaining unit was an appropriate comparator for the RSMCs and that these jobs were of equal value (see Exhibit U-38 at paragraphs 531 to 533).
21. Since 2009, CPC has been governed by a Postal Service Charter established by its sole shareholder, the Government of Canada. Among other things, this Charter establishes service standards and a requirement for universal service ensuring that all Canadian individuals and businesses can send and receive mail (letters, parcels and publications) at a standard price. CPC has a legislated monopoly on first class mail and is required by its Charter to provide delivery to every address in Canada. Consequently, it provides daily service to almost 15.4 million residential addresses and more than 1 million business addresses.
22. To meet its obligations, CPC maintains an extensive network consisting of more than 500 plants and depots, 6,100 retail post offices, 13,000 vehicles and 53,000 employees. The delivery network consists of 13,085 letter carrier routes (Urban), 1,222 mail service courier routes (Urban) and 7,638 RSMC routes. Labour costs (wages and benefits) account for 70% of Canada Post's overall costs.
23. Although the delivery network was primarily designed to handle transaction mail (letters, bills, statements, invoices and other forms of communication), which

historically constituted CPC's largest line of business, advances in digital technology in recent years have resulted in a significant decrease in this type of business and its related revenue. With population growth, the number of addresses to which CPC must deliver grows steadily each year, but the number of pieces of transaction mail delivered to each address has decreased sharply.

24. CPC has been able to leverage its existing network to take advantage of a concomitant increase in its parcel business which has resulted from the growth in e-commerce. However, this market segment is highly competitive. As well, parcel delivery activities are labour intensive and require significant investments in real estate, vehicles and equipment.
25. All of these considerations have been taken into account in reaching this award.

IV – DECISION

26. The parties provided comprehensive, thoughtful and persuasive written submissions setting out the applicable legal principles and the rationale for their respective positions on each of the issues in dispute.
27. Although the parties agreed that they did not wish to engage in a final offer selection process, both indicated that the positions they had previously put forward constituted a "global offer". In particular, CPC cautioned against "cherry picking" from its offer, as a number of the concessions it had been prepared to make in November 2018 were contingent on achieving its objectives in other areas.
28. In the course of the proceedings, it was evident that CUPW's priority was to address the disparities between the terms and conditions of employment contained in the Urban and RSMC collective agreements, with improvements to both, and that CPC's priority was to obtain greater operational flexibility in order to attract and handle increases in its parcel business. These objectives are not incompatible and present opportunities for the parties to work together in future to ensure the continuity of well-paid jobs in a viable and healthy enterprise.
29. There is no magic formula that will produce the perfect result in interest arbitration. In respecting the principle of replication and the Guiding Principles set out in the *PSRCA*, I have endeavored to achieve the compromise between the respective positions of the parties that they would eventually have reached had they been permitted the opportunity to do so.

30. As directed in subsection 11(5) of the *PSRCA*, the contractual language necessary to give effect to the decisions on each issue that was in dispute as of the date of my appointment is appended to this decision. For the most part, only the changes to the language of the expired collective agreements have been included in the decision; if no change to the language in the expired collective agreement is indicated, it means that the *status quo* prevails.

Duration

31. The parties had reached an understanding that the collective agreements would both be renewed for a period of 4 years. However, this understanding had not been formalized as an agreement as of the date of my appointment. I hereby direct that each collective agreement be renewed for a period of four (4) years and that each be revised to incorporate the changes to the contractual language to which the parties had previously agreed as well as the amendments set out in this award.

Economic Increases

32. I award the same economic increase to both bargaining units. I recognize that the award is more than CPC had hoped to pay and less than CUPW had hoped to achieve. The economic increase of 2% in each of the first two years is consistent with CPC's final offer in November 2018. The increase of 2.5% in the third year compensates the Urban bargaining unit for the 0.5% increase that was lost in 2011 when the back-to-work legislation imposed a wage increase that was less than the employer had previously offered. The economic increase of 2.9% in the fourth year represents the arbitrator's best effort to predict the likely average wage increase for the federally regulated private sector in 2021. It is my view that the parties would not have settled for less than these amounts had they been left to their own devices in the autumn of 2018.

33. The economic increase for the RSMC unit is to be applied after implementation of the increases mandated by Arbitrator Flynn's pay equity award and those agreed upon by the parties in the course of that process. The intent is to maintain the pay equity that was achieved through the Flynn arbitration process.

URBAN BARGAINING UNIT

34. In the last round of bargaining, CUPW negotiated a market adjustment of \$1.00 for certain classifications in Groups 3 and 4 (VHE-9, MAM-10, MAM-11, MAM-12, EIM-10 and EL-5). In this round of bargaining, CUPW sought a market adjustment of \$0.30 for all classifications in Group 3 and 4. These groups are mainly composed of trades persons and market adjustments have been negotiated for them in the past, for various reasons.

The parties have already agreed to a \$0.12 “bump up” for the new VHE-10 classification (Exhibit U-5, Tab 2) and the employer takes the position that as it is not having difficulty recruiting candidates for the other Group 3 and 4 positions, a market adjustment for them is not required. In the absence of evidence regarding the existence of circumstances that would require a market adjustment, I have not granted the requested increase to these Groups. Accordingly, note 11 is to be removed from the Appendix “A” Notes in the collective agreement.

35. CUPW was also seeking to reduce the number of steps in the wage scale for employees hired on or after February 1, 2013. It contends that this will bring the Urban unit into line with the RSMC unit. This proposal would significantly increase CPC’s wage costs, with no corresponding increase in productivity or efficiency. I am not persuaded by CUPW’s argument and have retained the current 8 increment wage scale in place for these employees.

Cost of Living Allowance

36. During the course of the arbitration process, CUPW agreed to CPC’s proposal regarding revision of the Cost of Living provisions in the collective agreement (Article 35.09). The revised language for incorporation in the collective agreement is attached.

Short Term Disability Plan

37. CUPW sought a number of changes to the short-term disability plan (STDP), all of which were opposed by CPC. I have made changes in article 20 of the Urban agreement to reflect concerns raised by CUPW regarding the administration of the STDP, notably to implement the same schedule for recovery of overpayments as exists for other provisions in the agreement, to ensure that decisions on claims are based solely on medical evidence and to formalize the policy regarding extensions of time limits when an employee is unable to comply with them by reason of documented cognitive impairment. The parties’ agreement to amend clause 20.09(b)(iv) is also incorporated.

Injury-on-Duty Leave

38. CUPW sought to increase the payment in cases of injury on duty (IOD) from 75% to 80% of regular pay. Although CPC has an admittedly high rate of workplace injuries, no rationale was provided for the requested increase in this benefit. The testimony of CPC’s witness, Mr. Bob Bass, was that the current benefit in the Urban collective agreement is at least equivalent to the norms found in the 29 federally regulated collective

agreements that he analyzed. He did, however, find that four of those agreements (13.8%) provided full pay for IOD, or a top-up to workers' compensation of 100%.

39. Given Mr. Bass' evidence that the overall wage and benefit package enjoyed by the Urban bargaining unit is already better than most federally regulated employers and is significantly better than CPC's competitors in the parcel business, I decline to order the improvements to IOD leave sought by CUPW for the Urban unit.

Union Education Fund

40. In recognition of the extra cost imposed upon CUPW to train union representatives to deal with its' members STDP claims, I have raised CPC's contribution to the Union Education Fund from 3.0¢ per hour to 3.5¢ per hour effective July 1, 2020.

Leave for Other Reasons and Parental Leave

41. CUPW sought changes to Article 21.03 to provide that special leave with pay be granted for an illness in the family prior to the current requirement that an employee must first have to exhaust all of their personal days. The rationale was that this would relieve hardship for families with young or special needs children, single parent families, and families caring for elderly family members.
42. CPC opposes the proposal, explaining that Leave for Other Reasons is a "leave of last resort", to be used when other leave entitlements have been exhausted or are not available.
43. As noted earlier, the Urban collective agreement has been in place for many years, and as the evidence demonstrated, it contains an extensive and comprehensive benefit program. No costing was provided with respect to CUPW's demand to essentially change Article 21.03 from last resort to first resort, but given the size of the bargaining unit, it is likely to be significant. In view of the absence of a demonstrated need for additional paid leave at this time, and balancing the statutory and common law criteria, I am unable to justify granting CUPW's demand on this issue.
44. During the course of the arbitration proceedings, CUPW accepted CPC's proposal to update of Article 23 (Parental Leave) to reflect legislative changes. The agreed upon language is attached for incorporation into the collective agreement.

Restructurings, Work Measurement & Temporary Peak Workforce

45. The handling of sequenced mail has been an on-going issue between the parties since the two-bundle method was introduced during Postal Transformation. This issue is currently before a grievance arbitrator for resolution and I am advised that only one day of hearing is left to complete argument on that matter. Although there is a deceptive allure to CUPW's last proposal, which would provide letter carriers with the option of integrating their sequenced and manual mail at their sortation case, I accept CPC's submission that the operational consequences of this seemingly minor amendment would be significant.
46. This arbitrator is not an expert in ergonomics and is reluctant to specify a particular sortation and delivery method in the collective agreement. Instead, I am proposing a Memorandum of Agreement that would formalize the current practice that letter carriers will not be disciplined if they chose to integrate their sequenced and manual mail prior to commencing the delivery portion of their route.
47. CUPW submits that the introduction of Postal Transformation and the dramatic increase in the volume of parcels, coupled with the fact that the existing work measurement system was designed for letter mail rather than parcels, has resulted in a significant overburdening of letter carriers.
48. A number of measures have been proposed to address these concerns. The parties have agreed to suspend the application of Article 15.14 (Mandatory Overtime). They have also agreed on the text of a new Appendix regarding Letter Carrier Route Volume Updates, although they disagree as to whether the Appendix should have an end date or not. CUPW has also submitted a proposal for a joint study on the Percentage of Coverage formula and CPC has submitted a proposal for a Temporary Peak Period workforce.
49. Given that there will only be just over 18 months to run on the Urban collective agreement by the time it comes into force, I am reluctant to impose the time limit requested by CPC in the Appendix setting out the Letter Carrier Route Volume Update process (NEW 4). The parties agree that this is a temporary measure while the parties pursue longer term delivery models and that understanding should be sufficient for the purpose.
50. While I agree that a joint study on the Percentage of Coverage formula is warranted, such a study should not be as constrained as CUPW sought to make it. I have therefore

rewritten the proposed Appendix (NEW 1) on this topic to ensure that there are no limitations on the scope of the study.

51. CUPW was not opposed to the concept of a Temporary Peak Workforce, but had submitted its own proposal, which included a limitation that the assignments could only be scheduled during the regular work week. With a minor amendment to clause 4.3, I have accepted CPC's proposal for a new Appendix (NEW 2) establishing a Temporary Peak Workforce, with no limitation on the days of the week that these employees can be deployed.
52. The parties have confirmed their mutual concern for work-life balance and this is reflected in Appendix "LL" (Overtime on a Route). CUPW sought further improvements to this Appendix, which I have accepted with some modifications. In particular, I have retained the current obligation that management make "reasonable efforts" to have the work performed by other letter carriers or temporary employees.

Job Security

53. CUPW submitted that it was standard practice to update the dates contained in Article 53.01 to the date of the signing of the collective agreement; CPC submitted that this was not standard practice and in fact the dates had not been amended during the last round of bargaining. I find that, more often than not, the parties did update the eligibility date to match the coming into force date. I have amended Article 53.01 to specify the eligibility date as June 1, 2020. Furthermore, CPC will provide a side letter to CUPW, specifying that, notwithstanding Article 53.01, during the term of this Agreement there shall be no lay-off of any regular employee who was employed in the bargaining unit as of June 1, 2020, provided the employee agrees to be displaced to another position in accordance with Article 53.

Contracting Out / New Services

54. This issue was addressed by the parties' agreement to update the expiry dates in the collective agreement to reflect the expiry date of the new collective agreement. Accordingly, the dates shown in Appendix "I" are to be amended to read January 31, 2022.

Staffing in Group 1

55. Group 1 consists of the inside workers. CUPW has historically sought to maximize the number of regular full-time positions in this group and in previous years the parties had agreed that CPC would maintain a national ratio of 78% for each fiscal year. In this round of bargaining, CPC seeks to reduce this ratio to 75%. CUPW opposes this decrease and seeks access to more information regarding staffing in this Group.
56. CPC submits that CUPW is already entitled to sufficient information regarding staffing in Group 1 through the provisions of clause 2 of Appendix "P". It submits that the additional information that the union seeks is not readily available, would require significant effort to produce and would be unreliable at best or misleading at worst.
57. Reducing the national ratio from 78% to 75% would constitute a considerable change to a provision negotiated by the parties in the past. Throughout the arbitration proceedings, CPC has warned against rolling-back gains that it had made in previous rounds of bargaining (for example, the multi-tier wage scale for new employees; the replacement of sick leave with an STDP). This principle should apply equally to gains made by the union in the past. I am not prepared to reduce the ratio as requested by CPC. However, I am also not persuaded that the additional information sought by CUPW is necessary to achieve the purpose of Appendix "P" and therefore deny this request as well.

Temporary Staffing

58. To minimize the displacement of employees when reductions to positions are identified, CPC requested that the collective agreement be amended to confirm its ability to temporarily staff vacant positions in Group 2 (outside workers) under certain circumstances. CUPW was not opposed to the proposal, but wished to limit the period of time in which a vacant position could be held to a maximum of 6 months duration.
59. It makes sense that the employer be able to hold vacant positions available when it is known that there will be staff reductions in other areas. In my view, the 6 month limit proposed by CUPW would be unreasonable in certain circumstances. I therefore accept CPC'S proposal, with some minor changes to paragraph (a) regarding notification to the union.

60. The parties had agreed on an amendment to Article 39.06 (Use of Part-time and Temporary Employees) to add temporary employees in Group 1 to this provision and I have ordered that this language be incorporated into the collective agreement.
61. I have also accepted the parties' agreement that Article 44.18 (Rate of Pay) be amended to provide that, when a temporary employee reaches one thousand (1,000) hours worked in the then current fiscal year, the employee will progress to the next pay increment in Appendix "A". The parties had been unable to agree upon the effective date of this amendment, so I have set it as January 1, 2019.

Pension

62. During the course of the arbitration proceedings, CUPW withdrew its demands regarding the Pension Plan. CPC indicated that it wished to work collaboratively with the bargaining agents representing its employees, including CUPW, to seek solutions to address the sustainability of the Pension Plan. CPC is to provide a side letter to CUPW setting out this commitment.

Joint Projects

63. The parties indicated their willingness to work together on projects to identify new services and to review CPC's environmental footprint. CPC will provide side letters to CUPW regarding these projects.

Updating Expiry Dates in the Collective Agreement

64. The parties reached a Memorandum of Agreement on this subject on June 26, 2019. No further action is required by the arbitrator as this issue is considered resolved.

RSMC BARGAINING UNIT

65. For as long as it has represented the RSMC bargaining unit, CUPW has made no secret of its objective of achieving parity between this unit and the Urban Operations unit.
66. The pay equity award was an important step towards achieving parity for the RSMC unit, but there are still many provisions in the collective agreement reflecting the history of this predominantly female bargaining unit that CUPW wishes to address.
67. CUPW makes a compelling case that the Guiding Principles contained in the *PSRCA* implicitly mandate all of the improvements to the RSMC terms and conditions of employment that it believes are necessary to achieve true equality for this bargaining unit. For example, the RSMC compensation model, which is based on a piece-work approach, clearly qualifies their employment as non-standard. Parliament, which is both the regulator and the employer in this matter, has seen fit to provide additional criteria that must be factored in to the arbitrator's deliberations, including a requirement to ensure the fair treatment of employees in non-standard employment, as compared to full-time, permanent employees.
68. While I agree in principle with CUPW, as noted above I also believe that Parliament intended that the arbitrator would apply the principle of replication as well. In my view, it is unlikely that, had collective bargaining been permitted to run its course, CUPW would have been able to achieve, in this round of bargaining, all of the improvements to the RSMC collective agreement that it believes are necessary to achieve parity. In this decision, I have endeavoured to address the most pressing of the union's concerns.

Maintaining Pay Equity

69. I am informed that the pay equity implementation and maintenance exercise is continuing under the auspices of Arbitrator Flynn. The terms of reference for this exercise provide that any agreements reached by the parties or orders made by Arbitrator Flynn are to be incorporated into the RSMC collective agreement. So as not to disturb the results achieved through the pay equity process, any improvements to the collective agreement resulting from this award are to be applied over and above the implementation of the changes identified through the pay equity process.

Hours of Work and Assignments

70. A major area of concern for CUPW is that, because their compensation system is a piece work system, based on activity values, members of the RSMC unit are not fully compensated for all of the time that they must work to accomplish their daily rounds. Furthermore, employees are required to pay the cost of hiring a helper when their average work week exceeds forty (40) hours per week over a two (2) consecutive week period. Although CUPW has made a comprehensive proposal to address this issue, I do not believe that it would have been able to achieve the entirety of its proposal during this round of bargaining.
71. The parties have agreed to undertake a study on how to measure work content, workload and appropriate pay methods for RSMCs. This is the appropriate forum in which the parties should develop a new compensation model for RSMCs. In the meantime, however, I have directed that Article 13 be amended to provide compensation for time worked by RSMCs over 40 hours per week, and implemented CUPW's proposal that CPC, and not the RSMC, should bear the cost of paying for assistance when a route consistently requires more than 40 hours per week to complete.
72. Toward the end of the arbitration process, CUPW submitted a revised proposal regarding the restructuring of RSMC routes (Article 11). CUPW's objective is to require CPC to maximize the number of routes structured at 8 RMS hours per day. Where this cannot be done after reasonable efforts, the parties would consult and Canada Post would need to demonstrate the reasons why it could not achieve this objective.
73. CUPW submits that this proposal would not force CPC into restructuring offices nor would it undermine the Corporation's right to structure routes in accordance with its reality. CUPW submits that its proposal addresses the need to take steps towards providing better financial security for RSMCs.
74. CPC is fundamentally opposed to any model that dictates route design using RMS time. It argues that that designing routes to a standard of 8 RMS hours is simply not feasible in many of the areas where RSMCs work and would result in overlapping lines of travel, additional costs, and inefficiencies. It states that since RMS does not measure actual work effort, the 8 RMS hours standard could result in routes that have the same RMS value but wildly different actual time requirements.
75. While I appreciate CUPW's objectives with respect to the structuring of routes, the magnitude of the changes to Article 11.03 that it is seeking to achieve by means of this arbitration is inconsistent with the parties' agreement to work together on the RSMC

work content project. In my view, the Work Content Committee provides the appropriate forum for the parties to work jointly to towards a revised compensation model for RSMCs. I have therefore denied CUPW's proposals for amendments to Article 11.03.

Coverage of Absences

76. Another vestige of the time when rural and suburban routes were served by contractors is the obligation in the RSMC collective agreement for employees to provide their own replacements when they must be absent from work. In previous agreements, the parties had begun to limit this obligation based on the number of RSMC routes in a given postal installation. As of the last collective agreement, they had reduced the obligation to installations with less than five RSMC routes. In this round of bargaining, CUPW had sought to eliminate the obligation entirely, making CPC responsible for providing replacements in every instance.
77. I believe that the gradual approach that the parties had been following to reach CUPW's ultimate objective is more consistent with the replication principle. Accordingly, Appendix "E" and "H" of the RSMC collective agreement are to be amended to provide that CPC is responsible for supplying On-Call Relief Employees in postal installations with three or more RSMC routes and for providing absence coverage in those installations.

Injury-on-Duty Leave

78. Currently, RSMCs who suffer an injury on duty (IOD) do not receive their regular remuneration from CPC, but instead receive the compensation determined and paid directly by the appropriate provincial workers' compensation board. Canada Post has admitted that it has a relatively higher rate of injury (primarily slips, trips and falls) than other federal jurisdiction employers, which it attributes to the fact that much of its workforce perform their duties out of doors. It submits that CUPW's proposal would impose an administrative burden on CPC.
79. An employee who is injured at work should not be treated less favourably than an employee who becomes ill or suffers an injury outside of work, who is entitled to paid leave under the STDP. Employees in the Urban bargaining unit, including letter carriers, receive paid IOD leave and CPC has the administrative infrastructure in place to manage that program. Consistent with the statutory direction to ensure the fair treatment of employees in non-standard employment, I accept CUPW's proposal to introduce paid IOD leave for RSMCs, but at a rate of 75%, consistent with the IOD leave in the Urban collective agreement.

Short-term Disability Program and Leave for Other Reasons

80. For the purpose of consistency, I have incorporated changes to Article 36 of the RSMC agreement identical to those made to the Urban agreement in order to address concerns raised by CUPW regarding the administration of the short-term disability program. However, consistent with my decision regarding the Urban unit, I decline to order the improvement in the level of STDP benefits sought by CUPW.
81. I have also denied CUPW's demand regarding Leave for Other Reasons, for the reasons given with respect to this issue in the Urban collective agreement. I have also not accepted CUPW's proposals with respect to other changes to Article 36.

Parental Leave

82. During the arbitration process, CUPW indicated that it was withdrawing its demands on Parental Leaves and would accept the Employer's language. I have incorporated these changes in Article 18.

Job Security

83. RSMCs currently do not have any job security, unlike their Urban counterparts. The only protection provided to RSMCs in the collective agreement is a recall right of twelve (12) months in the event of a lay-off, with entitlement to a two (2) week notice in advance (Article 23). RSMCs can use their recall right when a position becomes vacant in their original postal installation, using their seniority to obtain such position.
84. In this round of bargaining, CUPW proposed that RSMCs be granted job security after five years of continuous employment, consistent with the Urban collective agreement. CPC proposed a ten-year qualifying period, and that the provision only apply to route holders who are scheduled for at least 12 hours per week. This would mean that Permanent Relief Employees would not be protected and RSMCs with shorter routes would never be afforded job security.
85. The closest comparator to the RSMCs is the letter carrier (Group 2) in the Urban collective agreement. These individuals have absolute job security provided they are prepared to be displaced in accordance with the process set out in the agreement. In my view, it is appropriate that RSMCs have a measure of job security similar to letter carriers going forward. With changes to paragraphs 23.03(a) to enlarge the radius from

sixty to seventy-five kilometers, and to clarify clause 23.07, I accept CUPW's proposal to institute job security for RSMCs.

86. The parties had agreed to several changes to Article 11.06 (Assignment and Bidding Following a Restructure), which I have incorporated into this award. With respect to the changes to this article on which the parties had not agreed, I have accepted CUPW's modifications.

Contracting Out and Job Retention

87. CUPW is concerned that the current RSMC collective agreement provides very little protection for bargaining unit work and no protection against the subcontracting of bargaining unit work. It recognizes that, as improvements are made to the RSMC collective agreement, it will become increasingly attractive for CPC to contract out rural and suburban services. It therefore proposes amendments to Article 28 and a new Appendix to address this subject.
88. CPC opposes the union's proposals, arguing that it is essential for it to have the ability to engage contractors to meet its service commitments.
89. I agree with CUPW that improvements in the RSMC collective agreement will make it increasingly tempting for CPC to contract out work presently performed by RSMCs. Although this has not happened yet, it is a matter that could become increasingly contentious and would certainly work against the direction that this award should create a culture of collaborative labour-management relations.
90. CUPW seeks to replicate the provisions of the Urban collective agreement in the RSMC agreement. In my view, the current provisions of Article 28 are sufficient to protect bargaining unit work, but I have accepted CUPW's revised proposal (Exhibit U-186) for a new Appendix to deal with job retention.

Post-Retirement Benefits

91. In her May 31, 2018 pay equity award, Arbitrator Flynn, provided RSMCs with access to Post Retirement Health Care Benefits (PRBs). However, to be eligible for the program, RSMCs must have accumulated 15 years of continuous employment. Due to the terms of her mandate, Arbitrator Flynn held that her jurisdiction was limited for purposes of retroactivity to January 1, 2016 (Exhibit U-38, par. 823 & 824). Consequently, the service of RSMCs prior to January 1, 2016 does not currently count for the purpose of determining their eligibility for PRBs.

92. The Union proposes that all of an RSMC's continuous employment, as defined in clause 8.01 of the collective agreement, be recognized for the purposes of the PRBs.
93. CPC asserts that PRBs can be extremely expensive for employers. The evidence of its witness, Mr. Caron, was that the estimated cost of the Union's proposal on PRBs would be approximately \$121 million.
94. Article 8.01 of the RSMC collective agreement defines continuous employment. There is no principled reason to limit the calculation of continuous service for the purposes of PRBs only to service after January 1, 2016. If, as has been found by Arbitrator Flynn, PRBs are to be considered as compensation for the purpose of pay equity, then all of an RSMC's service should be recognized, just as it is for the male comparator group.
95. I direct that all of an RSMC's continuous employment, as defined in Article 8.01, be recognized for the purpose of determining eligibility for PRBs. The new language will be found in Article 22.05 of the collective agreement.

Union Education Fund

96. Consistent with the changes made in the Urban collective agreement, I have amended Appendix "D" of the RSMC collective agreement to increase CPC's contribution to the CUPW Education Fund from 3¢ to 3.5¢ per hour worked.

Weekend Parcel Delivery

97. CPC has made a proposal for a new provision to be inserted into the RSMC collective agreement to deal with weekend parcel delivery.
98. The Parties have a longstanding practice of having RSMCs voluntarily perform parcel-only delivery on the weekends, particularly during Peak. According to CPC, weekend parcel-only delivery is intended to help alleviate the impact of significantly increased parcel volumes and to meet changing customer expectations and competitive pressures. CPC believes that the current practice should be formalized in the RSMC agreement to ensure that its operational needs can be met.
99. Specifically, CPC is proposing to amend the RSMC agreement to provide RSMCs who volunteer to deliver parcels during weekends with \$2.00 for each parcel (rather than the current practice of paying \$1.22 per stop), payment for each kilometre driven and the

appropriate vehicle expense. It submits that this represents a significant improvement over the current situation.

100. CUPW is not opposed to the concept of weekend parcel delivery, but has put forward its own proposal as to how this would be undertaken. Among other things, CUPW wants work performed on a weekend to be compensated on the basis of time, using the derived hourly rate established through the pay equity process.
101. I agree with CPC's submissions that, for the time being, the compensation model for weekend parcel delivery should continue to be consistent with the activity-based model that is in place for other work by RSMCs. As noted by the employer, the Work Content Committee can address this issue as part of its larger deliberations on the appropriate compensation model for RSMCs going forward.
102. The contractual language establishing the provisions related to Weekend Parcel Delivery can be found in Appendix "A" at note 8, with a concurrent amendment to paragraph 3 of Appendix "E".

Pension Plan

103. During the course of the arbitration proceedings, CUPW withdrew its demands regarding the Pension Plan. CPC indicated that it wished to work collaboratively with the bargaining agents representing its employees, including CUPW, to seek solutions to address the sustainability of the Pension Plan. CPC is to provide a side letter to CUPW setting out this commitment.

Joint Projects

104. The parties indicated their willingness to work together on projects to identify new services and to review CPC's environmental footprint. CPC will provide side letters to CUPW regarding New Services and Environmental Strategy to establish a basis for the parties to work together on these initiatives.

CONCLUSION

105. There are several on-going national grievances that relate to matters covered in this award. The parties took opposing views as to whether I have the authority to order either party to withdraw a pending grievance. I find that I do have the authority to do so, but that it is not necessary to exercise that authority in this case. Given the amendments that have been made to the respective collective agreements, I leave it to the party that filed the grievance to decide whether it is still relevant and whether it wishes to continue those proceedings.
106. Ultimately, I found that the parties were not that far apart on many issues and that there are many opportunities for them to work together on projects to enhance the sustainability of the postal service. I encourage them to do so.
107. I hereby retain jurisdiction to correct any errors or omissions in this award.
108. I wish to thank counsel and their respective clients for their courtesy and professionalism throughout the proceedings.

Issued at Ottawa, Ontario this 11th day of June 2020



Elizabeth MacPherson
Mediator-Arbitrator

URBAN UNIT – CHANGES TO CONTRACTUAL LANGUAGE

All items agreed to and signed off by the parties prior to the date of this award are to be incorporated into the new collective agreement

ARTICLE 15 - OVERTIME

15.14 In the event that the Corporation is unable to obtain sufficient employees to work overtime by following the system of equal opportunity in descending order, then the Corporation shall, in accordance with the system of equal opportunity, assign the required number of employees to work overtime in an ascending order from the appropriate list. Where standards of service and plant capacity permit, the Corporation will take reasonable measures to ensure that assignments to work overtime in ascending order of the appropriate list will be minimized.

This clause is suspended until January 1, 2022.

ARTICLE 20 – PERSONAL DAYS AND SHORT TERM DISABILITY PROGRAM

- 20.09(b)(iv) in case of an illness or injury related to substance addiction, agree to receive ongoing, active professional treatment deemed appropriate for the condition being treated.
- 20.09 (c) Approval for short term disability benefits is determined by the Disability Management Provider and shall be made by a person with appropriate disability management training, based solely on medical reasons.
- 20.10(g)(iv) Once the decision is rendered upon the application for unemployment benefits, any recovery of overpaid amounts by the Corporation, as may be the case, shall not exceed ten percent (10%) of the employee's pay in each pay period, until the entire amount is recovered.
- 20.14 (i) Except for the purposes of paragraph 20.14 (h) and for his or her appointment, only the Case Manager, the Union or the employee shall communicate with the independent medical physician.

20.18 Time Limits

Exceptions to the strict enforcement of the time limits set out in this Article will be considered when the employee has documented cognitive restrictions that

- a) on the basis of an objective medical diagnosis, impact on the employee's ability to comply with the process (for example, impairment of comprehension, decision making, judgment etc.) and
- b) the employee does not have a support network (i.e., family member) authorized to assist the employee throughout the process.

ARTICLE 23 – PARENTAL LEAVE

23.01 Right to Maternity Leave

- (a) An employee who becomes pregnant shall notify the Corporation at least fifteen (15) weeks prior to the expected date of the termination of her pregnancy, and subject to paragraphs 23.01(b) and (c), shall, commencing no earlier than thirteen (13) weeks before the expected date of the termination of her pregnancy and ending not later than seventeen (17) weeks after the date of the termination of her pregnancy, be granted maternity leave without pay for a period of up to seventeen (17) weeks.
- (b) Upon written request from the employee, the Corporation agrees to defer the commencement of maternity leave without pay of an employee or terminate it earlier than seventeen (17) weeks after the date of the termination of her pregnancy.
- (c) The Corporation may grant maternity leave without pay to an employee to commence earlier than thirteen (13) weeks before the expected termination of her pregnancy.
- (d) The Corporation may, where maternity leave without pay is requested, require an employee to submit a medical certificate certifying pregnancy.
- (e) For the purpose of annual leave provided for in Article 19, an employee is deemed to have received pay for at least ten (10) days in each calendar month during her maternity leave.
- (f) An employee on leave under this clause shall earn Personal Days as if she would have received pay for at least ten (10) days in each calendar month in the case of a full-time employee and, in the case of a part-time employee, as if she would have received pay for at least forty (40) scheduled hours per month.
- (g) Time spent on such leave shall be counted for annual increment purposes.

23.05 Parental Leave

- (a) An employee who has completed six (6) months of continuous employment shall be granted a leave of absence without pay of up to sixty three (63) weeks where the employee has or will have actual care and custody of the newborn child.

This leave without pay shall commence as the employee elects:

- (i) on the expiry of any leave of absence from employment in respect of the child by a female employee
or
 - (ii) on the day that the child is born
or
 - (iii) on the day that the child comes into her or his actual care and custody.
- (b) An employee who requires a parental leave of absence shall provide the Corporation with at least four (4) weeks' notice in writing and inform the Corporation of the length of leave that the employee intends to take.
 - (c) Parental leave without pay used by two (2) employees in respect of the birth of one child shall not exceed the combined total of sixty three (63) weeks.
 - (d) Leave under this clause and leave provided for in paragraph 23.01 shall not, in respect of the same child, exceed the combined total of seventy-eight (78) weeks.
 - (e) The Corporation may ask the employee to submit a copy of the child's birth certificate.
 - (f) For the purpose of annual leave provided for in Article 19, an employee is deemed to have received pay for at least ten (10) days in each calendar month during his or her parental leave.
 - (g) An employee on leave under this clause shall earn Personal Days as if he or she would have received pay for at least ten (10) days in each calendar month in the case of a full-time employee and, in the case of a part-time employee, as if he or she would have received pay for at least forty (40) scheduled hours per month.
 - (h) Time spent on such leave shall be counted for annual increment purposes.

23.06 Adoption Leave

- (a) An employee who has completed six (6) months of continuous employment shall be granted a leave of absence without pay for up to sixty-three (63) weeks for the adoption of a child.

This leave without pay shall commence on the day that the child comes into the employee's care.
- (b) An employee who requires a leave of absence from employment for the purpose of adopting a child shall provide the Corporation with at least four (4) weeks' notice in writing, unless there is a valid reason why such notice cannot be given. The employee shall inform the Corporation of the amount of leave that he or she intends to take.
- (c) Unpaid leave by two (2) employees in respect of the adoption of a child shall not exceed the combined total of sixty-three (63) weeks.

- (d) The Corporation may request proof of adoption from the employee.
- (e) For the purpose of annual leave provided for in Article 19, an employee is deemed to have received pay for at least ten (10) days in each calendar month during his or her adoption leave.
- (f) An employee on leave under this clause shall earn Personal Days as if he or she would have received pay for at least ten (10) days in each calendar month in the case of a full-time employee and, in the case of a part-time employee, as if he or she would have received pay for at least forty (40) scheduled hours per month.
- (g) Time spent on such leave shall be counted for annual increment purposes.

ARTICLE 35 – PAYMENT OF WAGES AND ALLOWANCES**35.09 Cost of Living Allowance (C.O.L.A.)**

- (a) Effective February 1, 2020, the cost of living allowance based on the Consumer Price Index (C.P.I.), Canada, all items (2002=100) shall be paid quarterly as defined below to each full-time regular and part-time regular employee in accordance with the following:
- (i) For the period extending from February 1, 2020 to January 31, 2022, the quarters referred to above are as follows:
- February 1, 2020 to April 30, 2020,
- May 1, 2020 to July 31, 2020,
- August 1, 2020 to October 31, 2020,
- November 1, 2020 to January 31, 2021,
- February 1, 2021 to April 30, 2021,
- May 1, 2021 to July 31, 2021,
- August 1, 2021 to October 31, 2021,
- November 1, 2021 to January 31, 2022.
- (ii) The allowance will be paid on a basis of one cent (1¢) per hour for each full zero point zero five zero four (0.0504) of a point increase in the C.P.I. above the adjusted index which is five point thirty-three percent (5.33 %) greater than the C.P.I. index published for January 2020.
- (iii) For the period extending from February 1, 2020 to January 31, 2022, the first payment shall become effective when the C.P.I. reaches the adjusted index as defined in sub-paragraph 35.09(a)(ii). For the first payment, the Index published at the end of a quarter shall be compared with the adjusted index and the payment will be effective from the first of the month for which the published Index exceeds the adjusted Index and paid in accordance with sub-paragraph 35.09(a)(ii) on hours paid between the first of the month for which the published index exceeds the adjusted index and the end of the quarter.

(iv) For the payments provided for in the remaining quarters, the amount of the allowance is to be determined by comparing the published C.P.I. for the last month of the quarter to the adjusted index as defined in sub- paragraph 35.09(a)(ii). If the C.P.I. still exceeds the adjusted index, the allowance is paid in accordance with sub-paragraph 35.09(a)(ii) on hours paid during the appropriate quarter.

- (b) Any allowance paid under paragraph 35.09(a) shall not be incorporated into the basic wage rates.
- (c) All payments shall be made as a lump sum and paid in arrears as set out in paragraph 35.09(a). Any allowance paid shall not affect any premium rates or superannuation, but shall be included in computing pay for statutory holidays and paid leave.
- (d) No adjustment, retroactive or otherwise, shall be made as a result of any revision by way of correction which subsequently may be made to the Index by Statistics Canada.
- (e) In the event that Statistics Canada ceases to publish the monthly Consumer Price Index and/or initiates any change that will affect the foregoing method of computing the allowance, such change will be the subject of discussion by the parties prior to amending the above terms of reference.

ARTICLE 39 – WORK IN THE BARGAINING UNIT**39.06 Use of Part-time and Temporary Employees**

The Corporation agrees that temporary employees are to be used only for temporary operational requirements and that wherever practicable, such work shall be combined in order to create regular positions. This paragraph only applies in Group 1.

The Corporation agrees that part-time employees are to be used only for part-time operational requirements and that wherever practicable, such positions shall be combined in order to create full-time positions.

In determining the practicability of combining part-time positions in order to create full-time positions, undue regard may not be given solely to the difference in wages and benefits between full-time and part-time employees.

For greater certainty, benefits shall not include pay for time not worked.

ARTICLE 43 – DURATION OF COLLECTIVE AGREEMENT**43.01 Term of the Agreement**

Except where otherwise specified, the terms and conditions of the collective agreement are effective and binding on the Corporation and the Union from the date of the arbitration award until January 31, 2022.

ARTICLE 44 – ENTITLEMENTS AND WORKING CONDITIONS OF TEMPORARY EMPLOYEES**44.18 Rate of Pay**

The rate of pay for all temporary employees shall be the “minimum” hourly wage rate set out in Appendix “A” for the work being performed.

Notwithstanding the above, effective January 1, 2019, and every year thereafter, when a temporary employee reaches one thousand (1,000) hours worked in the current fiscal year, the employee will progress to the next pay increment in Appendix “A”. The increment will take effect on the following full pay period. For greater clarity, there shall be no retroactivity.

ARTICLE 53 – EMPLOYMENT SECURITY

53.01 There shall be no lay-off of any regular employee who was employed in the bargaining unit as of June 1, 2020 provided the employee agrees to be displaced to another position in accordance with the procedure set forth hereinafter. The same shall apply to any other employee who becomes a regular employee after June 1, 2020 and who has five (5) years or more of continuous employment.

APPENDIX “A”

CLASSIFICATION AND WAGES

The wage scales set out in Appendix “A” of the collective agreement shall be increased by the following amounts on the dates indicated:

February 1, 2018 – 2.0%

February 1, 2019 – 2.0%

February 1, 2020 – 2.5%

February 1, 2021 – 2.9%

APPENDIX “A” NOTES

1. Employees’ annual pay increments, where applicable, shall commence with the first full pay period following the employee’s annual anniversary date.
2. Annual rates are to be calculated by multiplying the hourly rate by 2,087.04 hours per annum.
3. In lieu of extending the rest period to fifteen (15) minutes for employees in the PO LC-1 and PO MSC-1 categories and the PO MSC (HV) 3 classification, they will be paid the applicable daily rate specified in note 4 for each working day that they are entitled to pay during the calendar years 2018, 2019, 2020 and 2021. The amount paid to part-time employees shall be considered pay for the purposes of paragraph 19.09(b).

For each day that a part-time employee performs a full-time assignment, he or she shall receive for that day the daily rate for full-time employees specified in note 4.

4. The daily rates referred to in note 3 and payable for each of the calendar years 2018, 2019, 2020 and 2021 for employees on strength during that period are as follows:

	Full-time	Part-time
2018	\$ 4.44	\$2.21
2019	\$ 4.53	\$2.26
2020	\$ 4.64	\$2.31
2021	\$ 4.77	\$2.39

5. In lieu of extending the rest period to fifteen (15) minutes, temporary employees are entitled to the following amounts:

(a) For each day that a temporary employee performs a full-time assignment, he or she shall receive:

- (i) For the 2018 calendar year – \$4.44 per day;
- (ii) For the 2019 calendar year – \$4.53 per day;
- (iii) For the 2020 calendar year – \$4.64 per day;
- (iv) For the 2021 calendar year – \$4.77 per day.

(b) For each day that a temporary employee performs a part-time assignment, he or she shall receive:

- (i) For the 2018 calendar year – \$2.21 per day;
- (ii) For the 2019 calendar year – \$2.26 per day;
- (iii) For the 2020 calendar year – \$2.31 per day;
- (iv) For the 2021 calendar year – \$2.39 per day.

These amounts for entitlements shall be paid on a bi-weekly basis to temporary employees. Payment will be made by electronic funds transfer (direct deposit).

6. (a) The amounts shown hereunder represent four (4) hours' pay of the EL-4 maximum hourly rate rounded to the nearest five cents (5¢).

- (i) February 1, 2018 - \$135.70
- (ii) February 1, 2019 - \$138.40
- (iii) February 1, 2020 - \$ 141.90
- (iv) February 1, 2021 – \$146.00

6. (b) The amounts shown hereunder represent three (3) hours' pay of the EL-5 maximum hourly rate rounded to the nearest five cents (5¢).

- (i) February 1, 2018 - \$112.50
- (ii) February 1, 2019 - \$114.75
- (iii) February 1, 2020 - \$117.60
- (iv) February 1, 2021 - \$121.00

(c) The amounts shown hereunder represent three (3) hours' pay of the EL-5 maximum hourly rate plus five dollars (\$5.00) rounded to the nearest five cents (5¢).

- (i) February 1, 2018 - \$117.50
- (ii) February 1, 2019 - \$119.25
- (iii) February 1, 2020 - \$122.60
- (iv) February 1, 2021 - \$126.00

(d) The amounts shown hereunder represent three (3) hours' pay of the EL-5 maximum hourly rate plus ten dollars (\$10.00) rounded to the nearest five cents (5¢).

- (i) February 1, 2018 - \$122.50
- (ii) February 1, 2019 - \$124.75
- (iii) February 1, 2020 - \$127.60
- (iv) February 1, 2021 - \$131.00

7. For greater certainty, the parties confirm that the classification of letter carrier (PO LC-1) includes the following functions:

- letter carrier
- relief letter carrier
- motorized mail courier
- relief motorized mail courier
- night router
- assistant to letter carrier supervisor

- mail mobile letter carrier

The classification of mail service courier (PO MSC-1) includes the functions of mail service courier and relief mail service courier.

The classification of part-time letter carrier (PT PO LC-1) includes the functions of part-time letter carrier, part-time motorized mail courier, part-time relief motorized mail courier, part-time assistant to letter carrier supervisor, and part-time mail mobile letter carrier.

The classification of part-time mail service courier (PT PO MSC-1) includes the functions of part-time mail service courier and part-time relief mail service courier.

The classification of mail service courier (heavy vehicle) (PO MSC(HV)-3) includes the function of mail service courier (heavy vehicle).

8. By agreement of the parties, the functions in the classifications in Groups 1, 3 and 4 are not listed in Appendix "A".

9. Effective January 31, 2007, the rate of pay of employees who were on strength as regular employees on September 1, 2003, and have completed twenty-eight (28) years of indeterminate service shall be increased by one percent (1%).

Notwithstanding the above, employees who have completed sufficient service to be eligible for twenty-eight (28) weeks of severance pay as of December 31, 2003 shall not be eligible for the one percent (1%) increase.

10. Where an employee temporarily substitutes in the position of Retail Lead Hand, the employee shall receive the rate of pay for the Retail Lead Hand beginning with the first full shift. The employee will receive this rate of pay in the following pay period.

~~11. A one time market adjustment will be provided to classifications VHE 9, MAM 10, MAM 11, MAM 12, EIM 10 and EL 5 as of January 1, 2017. The market adjustment of one dollar (\$1.00) will be added to the 2016 maximum rate. The market adjustment will be reduced by ten (\$0.10) cents for each prior year scale of the wage table. The new rate is reflected in a separate column titled 2017:01:01 in the wage table.~~

APPENDIX "I" – JOB RETENTION

Wherever it appears, change January 31, 2018 to **January 31, 2022** throughout this Appendix

APPENDIX "U" - UNION EDUCATION FUND

1. Effective July 1, 2020, Canada Post Corporation will pay, in the manner described in paragraph 3 below, into the CUPW Union Education Fund (the Fund) an amount equal to three and one half cents (3.5¢) per hour paid to all regular part-time and full-time employees and temporary employees during each quarter of the Corporation's fiscal year. *(no change to the remainder of this Appendix)*

APPENDIX "LL" – OVERTIME ON A ROUTE

APPENDIX "LL" **OVERTIME ON A ROUTE**

The parties recognize that the nature of the letter carrier operation may necessitate an employee working overtime to complete his or her route or assignment. This obligation is acknowledged by the Union. The parties further recognize that work and life balance is important for all employees.

However, complaints have been received from employees about not being able to finish on time when they have important commitments. There may also be situations where a problem with a route requires an employee to work mandatory overtime on a regular basis. In order to help employees in these situations, the Corporation shall determine if the extra work can be managed in a way that would avoid or limit unwanted overtime on an employee's route.

Work and Life Balance

It is recognized that, on occasion, family commitments, appointments and/or other legitimate personal needs which cannot be rescheduled, conflict with an employee's ability to work overtime on their route or on the route that they are covering as a Relief Letter Carrier. An employee may advise management that he or she does not want to work more than eight (8) hours on a given route. In these cases, local management will make reasonable efforts to have the work performed, on a voluntary basis, by other letter carriers in the installation or temporary employees, in no particular order.

The above does not try to address overtime that occurs on days following a statutory holiday or normally high volume mail periods such as Christmas, Mother's Day and others.

Ongoing Overtime Situations

Where the workload on a route requires the employee to work more than one hour (1) of overtime per day, on at least three (3) days per week, over a period of twenty (20) working days (excluding December), the employee shall have the option to request assistance. Assistance will be provided for each week day the employee worked overtime in excess of one (1) hour on average during the twenty (20) day period above, or for some of these days as the employee may choose, but only after having completed the staffing of uncovered routes. The amount of assistance provided for a given day of the week will be equal to the average overtime hours worked on that day of the week during the twenty (20) day period above.

Employees requesting assistance must do so for a minimum period of four (4) weeks and advise the Corporation, in writing, at least one (1) week in advance. The employee shall also advise the Corporation one (1) week prior to the end of each period if they would like the assistance to continue for another period.

The Corporation may canvass employees to determine if any additional employees would like to have assistance.

If an employee is receiving the assistance provided for in the preceding paragraphs, the relief letter carrier that is covering this route has the option of receiving this assistance while covering the route.

The type of assistance provided shall take into consideration the availability of the following employee(s), in no particular order, within the installation:

- employees on modified duties, unassigned letter carriers, available relief letter carriers, or
- part-time letter carriers, willing to work extended hours, or
- volunteer letter carriers willing to work overtime, or
- temporary employees.

Consideration shall first be given to providing assistance on the delivery portion of the assignment. If appropriate, consideration may be given to providing inside assistance. The assistance shall continue until the overtime situation is resolved.

An employee receiving assistance under this appendix shall not be eligible to accept overtime under clause 17.04 and the employee will be recorded as having declined on the equal opportunity list.

Employees who have this assistance on specified days of the week will be eligible for 17.04 overtime on the days that they are not receiving assistance.

Prior to requiring employees to work overtime under clause 15.14, the Corporation shall offer overtime under clause 17.04 to employees receiving assistance under this Appendix who have indicated their interest.

The parties agree that an employee receiving the assistance provided for in this appendix may still, on occasion, be required to work overtime on his or her own route.

In recognition of the importance of meeting the Corporation's customer service obligations, the parties acknowledge that there may be occasions when the Corporation is unable to secure assistance pursuant to this Appendix and on these occasions the employee will be responsible for completing their route or assignment.

APPENDIX 1 (NEW) – PERCENTAGE OF COVERAGE AND MAIL VOLUME INDEX

PERCENTAGE OF COVERAGE AND MAIL VOLUME INDEX

The parties shall establish a Committee to review the percentage of coverage formula and the application of the Mail Volume Index for machine sequenced and manual mail.

This Committee shall be composed of at least two (2) representatives appointed by each party. The Corporation shall be responsible for all costs associated with the work of the Committee.

Objective

The project shall analyze and review all aspects of the formula used to calculate the percentage of coverage for letter carrier routes. The objective is to update the existing formula or establish a new percentage of coverage formula that determines more accurately the number of points of call that a letter carrier delivers to on an average day.

The project shall also analyze and review the calculation of the Mail Volume Index for machine-sequenced and manual mail. The objective is to determine a method to apply the MVI separately for machine-sequenced and manual mail.

Guiding principles

- transparency with respect to data captures and pilot results;
- evaluated workload that reflects the work performed;
- a percentage of coverage formula that accurately determines the number of points of call that a letter carrier delivers on a daily basis, based on current mail volumes and product mix.

APPENDIX 2 (NEW) – TEMPORARY PEAK WORKFORCE

TEMPORARY PEAK WORKFORCE

I. Peak Period Temporary Assignments

The Corporation and the Union (the “Parties”) acknowledge that in order to maintain delivery standards and meet customer needs while balancing employee workload during the high volume season, Peak Period Temporary assignments are required.

Therefore, the Parties agree to create Peak Period Temporary (“PPT”) assignments.

II. Description

- 2.1 For the purpose of this appendix, PPT assignments shall be filled with temporary employees performing Group 2 letter carrier classification work during the normal work week in accordance with section 3 of this appendix.
- 2.2 The PPT assignments shall exist for a fixed-term of up to a maximum of three (3) months beginning, at the earliest, on the first Sunday of November, and ending on, at the latest, the first Saturday following January 31 of the subsequent year (the “Term”).
- 2.3 The PPT assignments may start up to four (4) weeks earlier than contemplated in paragraph 2.2 for the sole purpose of allowing for the completion of necessary training.
- 2.4 The PPT assignments shall have a guaranteed minimum number of hours.
- 2.5 The PPT assignments shall be implemented in installations or post offices identified by the Corporation.

III. Filling Assignments

- 3.1 (a) The Corporation shall first offer PPT assignments to existing employees on the appropriate Group 2 temporary employee call-in list, as set out in clause 44.04 of the collective agreement.
- (b) For the duration of the PPT assignments, employees described in paragraph 3.1(a) who accept a PPT assignment shall be entitled to the provisions of Article 44, unless otherwise provided for in the present appendix.

- (c) Notwithstanding clause 44.12, where practicable, the Corporation shall first offer employees on PPT assignments additional work up to a maximum of eight (8) hours per day, prior to going to the appropriate call-in list in accordance with clause 44.12.
- 3.2 (a) After paragraph 3.1(a) has been applied, should the Corporation require additional employees to fill PPT assignments, the Corporation may hire for the sole purpose of fulfilling the PPT assignments.
- (b) The employees described in paragraph 3.2(a) shall only be entitled to the provisions listed in clause 44.17 and 44.18, excluding all other provisions of Article 44, unless otherwise provided for in the present appendix. For greater clarity, such employees shall not be entitled to accumulate seniority as set out in clause 44.01 or continuous service as set out in clause 11.01.
- (c) It is understood that, the employment of the employees described in paragraph 3.2(a) shall end following the expiry of the Term, unless the employment is extended by the Corporation. In such cases, employees will be added to the appropriate call-in list as set out in clause 44.04.

IV. Hours

- 4.1 Employees in PPT assignments shall work a minimum of three (3) hours per day and at least thirteen and one-third (13 1/3) hours per week, up to a maximum of forty (40) hours per week.
- 4.2 In locations where PPT assignments are implemented, for the purpose of paragraph 17.04(a), work performed by all Group 2 temporary employees, in a PPT assignment shall rank in between sub-paragraphs 17.04(a)(iii) and 17.04(a)(iv).
- 4.3 Employees in PPT assignments will be utilized to perform other available Group 2 duties, in accordance with the collective agreement, in the installation or post office. Additionally, based on volume and workload, the Corporation may move work from routes to employees in PPT assignments to reduce own route overtime, where the regular employee has indicated he or she does not wish to work overtime on their own route.
- 4.4 Work accepted by employees in PPT assignments in excess of eight (8) hours per day must be completed by that employee on the given day.
- 4.5 PPT assignments will have no impact on the Bar Charts calculations.

V. Consultation

- 5.1 The Corporation shall hold local consultation to discuss the implementation of PPT assignments with respect to a given installation or post office for the year in question.
- 5.2 The parties, at the national level, agree to meet to resolve issues that may arise from the ongoing application of this appendix and may agree to make changes to associated processes and rules so that the intention of the parties is reflected.

APPENDIX 3 (NEW) – HOLDING VACANT POSITIONS IN GROUP 2 WHEN A REDUCTION IN THE NUMBER OF POSITIONS IS EXPECTED

Holding Vacant Positions in Group 2 When a Reduction in the Number of Positions is Expected

The Corporation agrees that it is a preferred outcome to staff Group 2 vacant positions on an indeterminate basis. Therefore, it agrees to use its right to temporarily staff assignments in Group 2 exclusively when:

- (i) It is known that there will be a reduction of positions in any group in the post office/zone; and,
- (ii) It is known that keeping vacant Group 2 positions is required for a timely reassignment of regular employees protected by job security as per Article 53.

In such circumstances, the following prerequisites and parameters apply:

- (a) The National Director and the local Union have been notified in writing of the change which will lead to a reduction in positions in a specific location;
- (b) The temporary staffing of Group 2 assignments is limited to the post office and zone (as defined in Article 53) where the reduction within the bargaining unit is known.
- (c) Temporary staffing is limited to the period starting from the date of the notice referred in paragraph (a) above to either one of the following dates, whichever comes first:
 - (i) the date the reduction takes effect within the applicable group(s) in the specific post office and zone; or,
 - (ii) the date Article 53 is initiated.
- (d) The maximum number of vacant Group 2 positions, for which assignments can be temporarily staffed is limited to:
 - (i) The total number of positions expected/forecasted to be reduced in the applicable group(s) of the bargaining unit in the specific post office and zone;
 - (ii) Less the total number of expected/forecasted departures (for any reason) within any group other than Group 2 within the applicable post office and zone.
- (e) It is agreed that the number derived from paragraph (d) above shall be consulted with the local union or at the regional level if more than one local is involved.
- (f) Notwithstanding other bidding provisions found in the collective agreement, the temporary staffing of such assignments is done in accordance with Article 17.

APPENDIX 4 (NEW) – LETTER CARRIER ROUTE VOLUME UPDATES

LETTER CARRIER ROUTE VOLUME UPDATES

The restructure process under Article 47 uses past volume data when building routes. Accordingly, based on the schedule and timeline of a restructure, the volume data may no longer reflect the average volumes for each product type due to volume growth or decline.

In order to better align the volumes based on changes, the parties have agreed on a process to re-evaluate routes based on more recent volume data.

Notwithstanding clause 47.06, the Corporation will review, on an annual basis, the Personal Contact Item (“PCI”) index and Mail Volume Index (“MVI”) against the last available volume count data for a restructure, and update the routes in a depot with the new indexed volumes (“Volume Update”). The Volume Update process will be as follows:

- 1) no later than twelve (12) months following the effective date of the collective agreement the PCI index and the MVI will be generated for the depot prior to the scheduled Volume Update for the most recent forty-eight (48) week period, excluding the four (4) weeks in December;
- 2) the PCI index and the MVI will be compared against the last volume count data for the depot;
- 3) the assessed workload for each route will then be adjusted to reflect the volume change by product type (MVI for Lettermail, and PCI index for Parcels and Packets) if the assessment is increased.

The Corporation will conduct a Volume Update for all depots not on the restructure schedule each year, barring exceptional circumstances.

Depots will not have a Volume Update conducted until at least fifty-two (52) weeks have elapsed following the previous restructure implementation. The Volume Updates will be scheduled on a staggered basis throughout the year with no Volume Updates being conducted in November and December.

The Corporation will include a schedule of depots being updated through the Volume Update process with the schedule provided for in clause 47.02.

Volume Updates shall not be considered Restructures or Route Updates for the purposes of any provisions in the collective agreement, LCRMS, or any Memorandum of Agreement between the parties.

The parties acknowledge that this is a mathematical update process, applying the latest volume data against the last restructure, which may result in some routes becoming over-assessed. As

such, over-assessment payments, route assistance and adjustments will be done in accordance with the collective agreement and LCRMS where indicated.

Nothing in this Appendix shall limit or restrict the Corporation's right to determine and schedule the restructuring of routes.

The parties acknowledge that the Volume Update process is intended to be a temporary short-term fix while the parties explore longer-term delivery models and, as such, the current restructuring process applies.

MEMORANDUM OF AGREEMENT – SEQUENCED MAIL

1. Letter carriers who find it more convenient to combine their sequenced and manual mail in their vehicle before undertaking their deliveries will not be disciplined by the Corporation for doing so.
2. Combining sequenced and manual mail shall not result in overtime, or be used in any validation process.
3. The parties acknowledge that letter carrier routes are assessed or restructured on the basis that the letter carriers are not combining their sequenced and manual mail. Should a letter carrier choose to combine their sequenced and manual mail, it will have no impact on the assessment or restructuring of the route and will not cause any reassessment or restructuring of the route. Combining sequenced and manual mail shall not be considered as a new work method or a change to an existing work method, nor will it require a new standard or the allocation of time values or the payment of an allowance.

SIDE LETTERS TO BE PROVIDED BY CPC

1. New Services

During bargaining between Canada Post and the Canadian Union of Postal Workers, discussions were held regarding service expansion initiatives pursuant to Appendix "T" of the collective agreement.

In response to these discussions, the Corporation and the Union commit to working collaboratively during the life of the collective agreement on a selected set of new financial services.

2. Environmental Strategy

Canada Post would like to work collaboratively with CUPW and representatives from other bargaining agents to determine the strategy going forward to determine the environmental path forward for Canada Post.

The parties believe this is an area where they can work together to develop a strong environmental strategy for the Corporation by reviewing all aspects, including fleet, buildings, products and services.

3. Pension

In September 2016, Canada Post Chief Negotiators advised CUPW that Canada Post would undertake to do a review of the Pension Plan. In the first part of 2018, a report regarding the sustainability of the Canada Post Registered Pension Plan was presented to all bargaining agents as part of the education session of the Pension Advisory Council and Communication and Consultation Group.

During negotiations, the parties had the opportunity to review the report and this letter confirms the parties' commitment to have discussions with the objective of defining common ground and solutions that address the sustainability of the Pension Plan for both the Corporation and plan members in the short, medium and long-term.

4. Job Security

The Corporation agrees that, notwithstanding Article 53.01, during the term of this Agreement there shall be no lay-off of any regular employee who was employed in the bargaining unit as of June 1, 2020, provided the employee agrees to be displaced to another position in accordance with Article 53.

RSMC UNIT – CHANGES TO CONTRACTUAL LANGUAGE

All items previously signed off by the parties, as identified at the outset of the arbitration process, are to be incorporated into the new collective agreement

ARTICLE 11 – ROUTE CHANGES

11.06 Assignment and Bidding Following a Restructure

11.06 Assignment and Bidding Following a Restructure

(a) For the purposes of this clause, “Component” is defined as the RSMC routes in a postal installation with the same restructure implementation date.

(b) Following a restructure, bidding shall occur in compliance with (i) or (ii) below.

(i) Where the restructure involves less than fifty (50) percent of the routes in the Component prior to the restructure, the affected routes are dealt with on an individual basis as follows:

Where fifty (50) percent or more of the points of call are retained on a route, the present holder may elect to retain it. If he or she does not elect to retain it, the route will be opened for bidding by seniority among the route holders who have not elected to retain their original route and those who did not qualify to retain their route. Following the completion of bidding, any vacant routes will be filled in accordance with Article 12.

(ii) Where the restructure involves fifty (50) percent or more of the routes in the Component prior to restructure, all route holders in the Component and all permanent relief employees in the postal installation shall bid by seniority on all positions in the Component and all permanent relief positions in the postal installation.

(c) On the date of implementation of the restructure, all route holders must be in compliance with clause 11.05.

(d) Any route holder or permanent relief employee who, following the application of paragraph 11.06 (b), no longer has a route or permanent relief position, may elect to displace the most junior route holder or the most junior permanent relief employee in the postal installation should his or her seniority allow.

The junior route holder or permanent relief employee, if displaced, shall be either made surplus, if eligible, or may choose to be laid off.

(e) In postal installations where there are no permanent relief employees, the procedure set out above shall only apply to route holders.

ARTICLE 13 – HOURS OF WORK

13.02 Adjustments and Interim Measures

(a) Any employee whose average workweek on his or her own route exceeds forty (40) hours during any period of two (2) consecutive weeks must advise the Corporation so that it may correct the situation in accordance with Article 11.

(b) Until the Corporation has reduced the average workweek to an average of forty (40) hours:

i) the Corporation shall pay the employee the difference between the actual number of hours worked by the employee each week and 40 hours, at the appropriate derived hourly rate multiplied by 1.5; and

ii) the Corporation, where practicable, shall provide assistance to perform the work in excess of forty (40) hours per week.

(c) The employee providing the assistance described in clause 13.02(b)(ii) shall be compensated at the appropriate derived hourly rate of pay.

ARTICLE 20 – INJURY ON DUTY LEAVE

20.01 Eligibility for Leave

An employee shall be granted injury-on-duty leave at seventy-five percent (75%) of his or her earnings for the period of time approved by a provincial workers' compensation board that he or she is unable to perform his or her duties 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) Sickness resulting from the nature of his or her employment; or
- (c) Over-exposure to radioactivity or other hazardous conditions in the course of his or her employment,

if the employee agrees to pay to the Corporation any amount received by him or her for loss of earnings in settlement of any claim he or she may have in respect of such injury, sickness or exposure.

20.02 Permanent Relief Employees – Injury-on-Duty Leave

Subject to the approval of the relevant workers' compensation board, the Corporation will calculate the earnings of permanent relief employees on injury-on-duty leave on the following basis:

- (a) Where the employee has worked for the Corporation for fifty-two (52) weeks or more prior to going on injury-on-duty leave, seventy-five percent (75%) of his or her average weekly earnings for the fifty-two (52) week period will be used; or
- (b) Where the employee has worked for the Corporation for less than fifty-two (52) weeks prior to going on injury-on-duty leave, his or her average weekly earnings for his or her period of employment will be used.

20.03 Injury-on-Duty Pending

An employee shall receive seventy percent (70%) of his or her earnings when he or she is incapacitated and unable to report to work as scheduled as a result of an injury that is pending a decision of a workers' compensation board.

ARTICLE 22 - PENSION PLAN AND BENEFIT PLANS

22.05 Post-Retirement Health Care Benefits

(a) For purposes of this clause, a retiree is a regular employee who has retired from the Corporation and who is in receipt of an unreduced or reduced pension under the Canada Post Corporation Pension Plan.

(b) Subject to the other provisions of this clause, a retiree who has fifteen (15) years or more of continuous service on the date of retirement shall be covered by the EHCP if he or she elects to receive these benefits within sixty (60) days of retirement or the date on which he or she starts to receive a deferred pension.

If no application to receive the benefits is made, the retiree will not be eligible to be covered by the EHCP. This is a one-time election.

(c) A retiree with less than fifteen (15) years of continuous service who is totally disabled and in receipt of a disability pension or an unreduced pension pursuant to the Canada Post Corporation Pension Plan shall also be covered by the EHCP if an application is made as provided for in paragraph 22.05(b) above.

(d) Notwithstanding paragraphs 22.05(b) and (c) above, an employee whose employment is terminated shall not be entitled to the EHCP if he or she defers pension entitlements for more than five (5) years.

(e) If a retiree who elected for coverage subsequently notifies the carrier that he or she wishes to discontinue coverage under Post-Retirement Health Care, he or she will not be eligible to rejoin the plan at a later date.

(f) Employees who retire are entitled to the same EHCP as active employees, including the level of benefits, deductibles and co-insurance, and:

- (i) The Corporation's contribution to the "Medical" portion of the EHCP (this excludes the Optional Expenses Benefit) shall be sixty-five percent (65%) and the contribution of the retiree shall be thirty-five percent (35%).

ARTICLE 23 - JOB SECURITY (REPLACES RECALL RIGHTS)

- 23.01 Subject to the provisions of this Article, there shall be no lay-off of any employee after five (5) years of continuous employment.
- 23.02 When there are more employees than routes or permanent relief positions in an installation, the Corporation shall declare surplus the regular employee with the least seniority in that installation. The employees being declared surplus (hereafter "surplus employee(s)") shall receive a written notice at least ten (10) working days before the date at which he or she becomes surplus.
- 23.03
- (a) Subject to paragraph (b), a surplus employee may be assigned by seniority to a comparable vacant route or comparable permanent relief position in an installation located within a seventy-five (75) kilometer radius of the installation (hereafter "the zone") where the surplus has been declared. The employee who obtains the route or position must be available to report to his or her new route or position in accordance with paragraph 12.05(a). In this case, the employee will retain the right to return to her or his former installation should a route become vacant.
 - (b) Notwithstanding clause 12.03, prior to assigning a surplus employee as per paragraph (a), the vacant route or position is offered through bidding by seniority within the installation between employees whose seniority is higher than that of the surplus employee. After the bid is completed, the surplus employee is assigned to the remaining route or position, provided it is a comparable route or position.
 - (c) For these purposes, when the route or position previously held by the surplus employee was assessed at thirty (30) hours per week or more, the comparable route or position shall be assessed at thirty (30) hours per week or more.
- 23.04 For the purpose of clause 23.03, the employee is deemed to have the appropriate vehicle to do the work of the comparable route or position, until he or she replaces his or her vehicle. In the case where a corporate vehicle was provided before the employee was declared surplus, the Corporation shall continue to provide such vehicle.
- 23.05 An employee who obtains a comparable route or position is no longer surplus.
- 23.06 Where there are no vacant comparable routes or positions within the zone, the surplus employee may be assigned to another vacant route or permanent relief position within the zone. The employee shall then receive the higher of the Appendix "A" activity component of their previous route or position, or the Appendix "A" activity component

and variable allowance of the route or permanent relief position on which they are performing work, until a comparable route or permanent relief position becomes vacant within the zone, to which the employee shall be assigned.

- 23.07 If there is no available route or permanent relief position within the zone, the Corporation may assign the surplus employee to bargaining unit work in postal installations within a fifty (50) kilometer radius of the postal installation in which they worked prior to being made surplus. The employee shall then receive the higher of the Appendix "A" activity component of the route or position they held prior to being made surplus or the Appendix "A" activity component and variable allowance of the route or permanent relief position on which they are performing work.
- 23.08 The Corporation shall provide transportation to an employee assigned under clause 23.07 if he or she is required to move from one postal facility to another to perform their assigned duties.
- 23.09 A surplus employee may request and obtain a vacant route or permanent relief position outside the zone. In such a case, the corporate relocation policy, as amended from time to time, shall apply. Such employee shall no longer be surplus.
- 23.10 Where there is more than one surplus employee within the zone, the routes and positions provided for in this Article are offered on the basis of seniority among surplus employees within the zone, notwithstanding provisions of Article 12.
- 23.11 After consultation with the Union, the Corporation can offer a departure incentive to any employee by order of seniority within the postal installation where the surplus was declared. The Corporation will notify the local of the union of the names of employees to whom an offer is made and a list of the names of employees in seniority order who have indicated interest in the departure incentive program. The Corporation shall also inform the local of the union of the contents of the offers made.
- 23.12 The maximum duration a surplus employee remains surplus before being laid off shall be twelve (12) months. His or her name shall then be placed on the recall list.
- 23.13 An employee who refuses an assignment under clauses 23.03, 23.06 or 23.07 shall be laid off and placed on the recall list.

23.14 Recall Rights

When an employee is laid off, his or her name will be added to a recall list and he or she may exercise his or her seniority rights to obtain any vacant position in his or her postal installation for which the employee is qualified in accordance with clause 12.03 during the twelve (12) month period following the recording of his or her name on the recall list.

23.15 Notice

An employee shall be notified at least two (2) weeks in advance of a lay-off.

23.16 Maintaining Seniority

An employee whose name appears on a recall list shall continue to accumulate seniority.

ARTICLE 33 - WAGES**33.06 Cost of Living Allowance (C.O.L.A.) (NEW)**

(a) Effective January 1, 2020, the cost of living allowance based on the Consumer Price Index (C.P.I.), Canada, all items (2002=100) shall be paid quarterly as defined below to each route holder and permanent relief employee in accordance with the following:

(i) For the period extending from January 1, 2020 to December 31, 2021, the quarters referred to above are as follows:

January 1, 2020 to March 31, 2020,

April 1, 2020 to June 30, 2020,

July 1, 2020 to September 30, 2020,

October 1, 2020 to December 31, 2020,

January 1, 2021 to March 31, 2021,

April 1, 2021 to June 30, 2021,

July 1, 2021 to September 30, 2021,

October 1, 2021 to December 31, 2021.

(ii) The allowance will be paid on a basis of zero point zero three seven five percent (0.0375 %) of the activity component paid for each full zero point zero five zero four (0.0504) of a point increase in the C.P.I. above the adjusted index which is five point three three percent (5.33 %) greater than the C.P.I. Index published for December 2019.

(iii) For the period extending from January 1, 2020 to December 31, 2021, the first payment shall become effective when the C.P.I. reaches the adjusted index as defined in sub-paragraph 33.06(a)(ii). For the first payment, the Index published at the end of a quarter shall be compared with the adjusted index and the payment will be effective from the first of the month for which the published Index exceeds the adjusted index and paid in accordance with sub-paragraph 33.06(a)(ii) on the activity component paid between the first of the month for which the published Index exceeds the adjusted index and the end of the quarter.

- (iv) For the payments provided for in the remaining quarters, the amount of the allowance is to be determined by comparing the published C.P.I. for the last month of the quarter to the adjusted index as defined in sub- paragraph 33.06(a)(ii). If the C.P.I. still exceeds the adjusted index, the allowance is paid in accordance with sub-paragraph 33.06(a)(ii) on the activity component paid during the appropriate quarter.
- (b) Any allowance paid under paragraph 33.06(a) shall not be incorporated into the activity component.
- (c) All payments shall be made as a lump sum and paid in arrears as set out in paragraph 33.06(a). Any allowance paid shall not affect any premium rates or superannuation, but shall be included in computing pay for statutory holidays and paid leave.
- (d) No adjustment, retroactive or otherwise, shall be made as a result of any revision by way of correction which subsequently may be made to the Index by Statistics Canada.
- (e) In the event that Statistics Canada ceases to publish the monthly Consumer Price Index and/or initiates any change that will affect the foregoing method of computing the allowance, such change will be the subject of discussion by the parties prior to amending the above terms of reference.

ARTICLE 34 – DURATION AND REVISION OF THE COLLECTIVE AGREEMENT

34.01 Term of the Collective Agreement

Except where otherwise specified, the terms of this collective agreement are effective and binding on the Corporation and the Union from the date of the arbitration award until December 31, 2021.

ARTICLE 36 – PERSONAL DAYS AND SHORT TERM DISABILITY PROGRAM

- 36.09(b)(iv) in case of an illness or injury related to substance addiction, agree to receive ongoing, active professional treatment deemed appropriate for the condition being treated.
- 36.09 (c) Approval for short term disability benefits is determined by the Disability Management Provider and shall be made by a person with appropriate disability management training, based solely on medical reasons.

- 36.10(f)(iii) Once the decision is rendered upon the application for unemployment benefits, any recovery of overpaid amounts by the Corporation, as may be the case, shall not exceed ten percent (10%) of the employee's pay in each pay period, until the entire amount is recovered.
- 36.14 (i) Except for the purposes of paragraph 36.14(h), and for his or her appointment, only the Case Manager, the Union and the employee may communicate with the independent medical physician.

36.17 Time Limits

Exceptions to the strict enforcement of the time limits in this Article will be considered when the employee has documented cognitive restrictions that

- a) on the basis of an objective medical diagnosis, impact on the employee's ability to comply with the process (for example, impairment of comprehension, decision making, judgment etc.) and
- b) the employee does not have a support network (i.e., family member) authorized to assist the employee throughout the process.

APPENDIX "A" - ACTUAL WAGE CALCULATIONS

The increases set out below apply to the derived hourly rate as determined by Arbitrator Flynn.

The Activity Values, the variable allowances and knowledge sort and civic addressing allowance set out in Appendix "A" of the collective agreement, as adjusted to reflect the Flynn pay equity award, shall be increased by the following amounts on the dates indicated:

February 1, 2018 – 2%

February 1, 2019 – 2%

February 1, 2020 – 2.5%

February 1, 2021 – 2.9%

8. PARCEL-ONLY DELIVERY

The Corporation may deem it necessary to perform parcel-only delivery on weekends.

- (a) Employees performing parcel-only delivery shall receive the following:
- (i) For each kilometer driven, subject to the appropriate progression percentage set out in paragraph 2(b):

	\$ per KM
Effective January 1, 2020	\$1.4044
Effective January 1, 2021	\$1.4325

- (ii) Effective July 1, 2020, for each parcel, \$2.00.
- (iii) The vehicle expense as described under clause 33.01 (b), if applicable.

(b) Parcels delivered pursuant to paragraph 8 shall not be counted as personal contact items on a route.

(c) For the purpose of equalizing opportunity to perform weekend parcel-only delivery, the Corporation will maintain a list of all employees, in order of seniority, applicable to each postal installation.

(d) It is understood that permanent relief employees can also be offered parcel-only delivery on weekends.

APPENDIX "D" - UNION EDUCATION FUND

1. Effective July 1, 2020, Canada Post Corporation will pay into the Union Education Fund set out in Appendix "U" of the collective agreement applicable to the urban operations bargaining unit, for the benefit of the employees covered by this collective agreement, the following amount:

- (a) The amount shall be equal to three and one half cents (3.5¢) per hour paid to all employees.

APPENDIX “E” – ON CALL RELIEF EMPLOYEES

1. Effective September 1, 2020, on call relief employees will be utilized in postal installations with three (3) or more RSMC routes.

3. On call relief employees shall be paid at the minimum progression level of the Appendix “A” activity values and variable allowance of the route being replaced, or the applicable Appendix “A” paragraph 8 compensation. Unless a corporate vehicle is provided, the appropriate vehicle expense will apply.

(Remainder of Appendix status quo)

APPENDIX “H” – ABSENCE COVERAGE

As of September 1, 2020, the Corporation agrees to assume responsibility for replacement of absences recognized under the collective agreement for route holders in postal installations with three (3) or more RSMC routes.

Until such time, all current practices related to the responsibility of absence coverage will remain in effect.

APPENDIX (NEW) - JOB RETENTION

1. All work normally performed by employees in the bargaining unit shall continue to be exclusively performed by them.

2. All points of call currently serviced by employees in the bargaining unit shall continue to be served by them.

3. Where the Corporation, having made reasonable efforts, does not have bargaining unit employees available to perform the work provided for at paragraphs 1 and 2, it may, for a reasonable period of time, temporarily assign such work to other persons.

4. All new points of call located within areas currently serviced by employees in the bargaining unit that are not attributed to letter carriers, as defined in Appendix “E” of the Urban collective agreement, shall be served by RSMCs.

5. The parties may agree that work related to any new activity undertaken by the Corporation may be assigned to employees in the bargaining unit, except where such work, due to its nature:

- a. belongs to another bargaining unit at Canada Post; or
- b. is part of supervisory or management functions.

SIDE LETTERS TO BE PROVIDED BY CPC

1. New Services

During bargaining between Canada Post and the Canadian Union of Postal Workers, discussions were held regarding service expansion initiatives pursuant to Appendix “T” of the collective agreement.

In response to these discussions, the Corporation and the Union commit to working collaboratively during the life of the collective agreement on a selected set of new financial services.

2. Environmental Strategy

Canada Post would like to work collaboratively with CUPW and representatives from other bargaining agents to determine the strategy going forward to determine the environmental path forward for Canada Post.

The parties believe this is an area where they can work together to develop a strong environmental strategy for the Corporation by reviewing all aspects, including fleet, buildings, products and services.

3. Pension

In September 2016, Canada Post Chief Negotiators advised CUPW that Canada Post would undertake to do a review of the Pension Plan. In the first part of 2018, a report regarding the sustainability of the Canada Post Registered Pension Plan was presented to all bargaining agents as part of the education session of the Pension Advisory Council and Communication and Consultation Group.

During negotiations, the parties had the opportunity to review the report and this letter confirms that the parties’ commitment to have discussions with the objective of defining common ground and solutions that address the sustainability of the Pension Plan for both the Corporation and plan members in the short, medium and long-term.