

Urgent message

To: _____

From: _____

Date: _____

Subject: Public service strike update: what's really going on at the bargaining table

The strike by 45,000 Ontario Public Service employees is having a major impact on the quality of life in Ontario. Ontarians want to see the strike over and public services restored.

Bargaining has taken place under a media blackout since April 2. Normally, a media blackout helps the parties hammer out a deal. In this case, however, employer negotiators have used the blackout, combined with carefully selected "leaks," to apply pressure on the union while avoiding meaningful bargaining.

After much thought, the Ontario Public Service Employees Union has decided to lift the blackout.

We believe MPPs, including Management Board Chair David Tsubouchi and Premier Ernie Eves, are unaware of the roadblocks to an agreement. High-level players in the bureaucracy bear responsibility for this. Management Board Assistant Deputy Minister Kevin Wilson now faces an unfair labour practice charge in this connection.

Shining a light on the talks now can only improve the likelihood of a quick and satisfactory agreement. Key facts follow.

Facts

Pensions

The OPSEU Pension Trust (OPT) is among the top-performing public sector pension plans in Canada. The OPT has generated \$2 billion in surpluses in its first seven years of operation. Under law and by agreement, this money is split evenly between the employer and plan members.

The employer is demanding the right to prevent union members from spending their own share of fund surpluses to pay for pension improvements. This concession could cost plan members more than \$140 million in an average year.

It is important to note that, under the employer's proposal, this money would not go to the employer. It would simply accumulate in the Trust, and could only be spent with the employer's

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agreement. The employer has argued that it has a right to have a say in any pension improvement that might incur a liability for the employer. This notion is based on a fallacy. All pension improvements paid for out of the employee share of surpluses are funded on a pay-as-you-go basis, based on fund actuaries' conservative projections before expenditures occur. In reality, the employer will never incur a liability as a result.

The employer's gain is a theoretical one. Plan members' loss is real.
The employer's real rationale for this demand is unknown.

Pay

The total payroll for the 45,000 employees in the OPSEU bargaining unit in the Ontario Public Service is approximately \$2.25 billion a year. OPSEU members are sacrificing \$26 million in wages every week they remain on strike.

The employer's basic wage offer is a 1.95 per cent increase in each year of a three-year collective agreement, plus one per cent for "productivity and efficiency gains" in the first year only. The union's demand is 2.5 per cent per year plus two per cent in exchange for "productivity and efficiency gains" in the first year only. The two sides are 1.55 per cent apart on basic pay in the first year, and a mere 0.55 per cent apart in each of years two and three.

The employer has offered other wage adjustments, but these are not available to all workers.

Benefits

The employer is demanding \$11 million in benefit cuts in exchange for \$1.8 million in union improvements. The employer is offering less than it has already agreed to for two other public service bargaining units (PEGO and AMAPCEO).

Part-time contract workers

Part-time contract employees in the public service are among the most exploited workers in Ontario. For example, more than 90 per cent of staff in Ontario's courtrooms are contract employees. Many have been so for 10, 15, or even 20 years. Despite being deemed "essential" during the strike, most court employees have no benefits and are laid off when court is not in session. The union is seeking modest improvements, costing less than \$4 million, for part-time contract workers.

Conclusion

The employer's demands for concessions are far greater than the union's demands for improvements. In addition, union members have already sacrificed well over \$150 million in wages in their fight.

Front-line workers are the real foundation of the strong public services Ontario needs so badly. Each day the strike goes on causes more suffering and exposes Ontarians to greater risks.

For the sake of all Ontarians, please contact David Tsubouchi and Premier Ernie Eves. Urge them to drop their concessions and move immediately towards a negotiated settlement with their employees.

Sincerely,
