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Amendments to Public Sector Employers' Act

On October 21, 2002 amendments to the *Public Sector Employers Act* were introduced in the BC Legislature. The amendments put in place new rules for executive management compensation practices that will reduce severance and change vacation and sick leave accumulation payments, and require public disclosure of senior management contracts.

The amendments reduce the maximum severance for exempt and executive employees from 24 to 18 months. In addition there is a new severance grid for top executives (Deputy Ministers, CEOs, school superintendents etc.). The grid is as follows:

- Up to 6 months severance for less than 12 months service in the position
- Up to 9 months severance for 12 to 17 months service in the position
- Up to 12 months severance for 18 to 35 months service in the position
- Up to 14 months severance for 36 to 47 months service in the position
- Up to 16 months severance for 48 to 59 months service in the position
- Up to 18 months severance for 60 or more months service in the position

This severance grid applies to all new definite term contracts and current indefinite term contracts as of October 21, 2002.

The legislation allows the Minister of Finance to direct public sector employers or employers' associations to prepare for his approval compensation plans for targeted groups of excluded employees. When such direction is given all compensation increases are frozen until approval is received. Any increases over and above an approved compensation plan will be a debt

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payable to government. If public sector employers and employers' associations already have approved compensation plans in place they will be deemed to be in compliance.

Accumulation of vacation leave will be governed by new rules. Effective January 1, 2003 unused vacation leave may be carried over to the year following when it was accumulated. If it is not used by the end of that year it must be paid out. People who have previously accumulated vacation time will not have that time stripped, nor will they be required to have that time paid out. However, the legislation will apply to vacation accumulations from this point forward.

Similarly, as of January 1, 2003 sick leave may be accumulated, but it will now only be paid out for illness purposes. People who have previously accumulated sick leave time will not have that time stripped; it may still be paid out based on the previous rules under which it was accumulated.

The legislation includes two disclosure elements. To ensure compliance with the *Act*, employers will be required to report contracts over \$125,000 to PSEC within 15 days of signing or amending. Failure to comply may result in the Minister of Finance declaring all or parts of a contract void. There is also a proactive public disclosure element for these same contracts, which will require that these contracts be made public upon request. All employers will have until March 31, 2003 to put in place procedures to comply with these requirements.

The rules to prevent double-dipping have been enhanced by allowing public

sector employers, like school districts, to re-coup severance payments when a severed employee is re-employed in the public sector. Previously only government could take such action.

For more information: www.psec.gov.bc.ca

Compensation Database and Survey

PSEC Secretariat is in the process of finalizing a web-enabled database. All sectors have been invited to provide comment. The database is intended to enable more efficient collection of public sector compensation and workforce information.

PSEC Secretariat will be meeting with ministry and employer association representatives in each sector over the coming weeks to finalize database and survey process issues. The end goal is a user-friendly tool that provides reliable and accurate information that enables government and public sector employers to take more strategic and informed approaches to development of mandates, bargaining, policy and workforce planning.

For more information on the compensation data base project contact Scott McCannell at (250) 356-0156.

Policy Developments

The arbitration in which the B.C. Teachers Federation refused to participate has wrapped up with a string of provisions to give school boards more autonomy.

The arbitrator's award finalizes the process of removing decisions on class size, special programs, and staffing levels from collective agreements and placing them in the public policy realm.

Recent Public Sector Settlements In BC

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British Columbia Buildings Corporation

- 0%, 0%, 0% plus modest labour market for professionals
- Concessions in wage rates and job security

Workers Compensation Board

- -1%, 0%, 0%
 - Major concessions in job security and work rules
 - Productivity and service improvements
- BC Hydro*
- 0%, 0%, 0%
 - Market increases for skilled trades and professional
 - Productivity

Recent Settlements In Other Jurisdictions

Calgary Board of Education and the Alberta Teachers Association.

As a result of an arbitrators' decision:

- 2 years; 10% year 1 and 3.5% year 2
- Removal of the lowest step in the wage grid, resulting in the minimum salary for teachers increasing by approximately 21%.

The arbitrator's reasons for the increase included: size of the increases provided to other public sector bodies, comments made by the Premier to the media and by the Minister in Hansard, funding provided in the Teacher Salary Enhancement Fund, and inflation.

Saskatchewan Association of Health Organizations and the Health Sciences Association of Saskatchewan

The parties reached a 2-year agreement that will provide:

- A minimum of 9% wage increases for every employee over the life of the agreement.
- A "market supplement" pay increase to 10 professions effective on signing of the tentative agreement.

- Overall wage increase is 21.8%

Current Negotiations

K-12 School District Support Staff

School District 59 (Peace River S.) 2 locals (Teamsters & BCGEU), expired Dec 31/01

School District 28 (Quesnel) UBCJA expired Feb 28/02

School District 45 (West Van) WVMEA
Expired Dec 31/01

University Support Staff

University of British Columbia and support staff unions, mostly CUPE locals. Contract expires range from March 31, 2002 to August 31, 2002.

University of Northern British Columbia and CUPE. Expired March 31, 2002

SFU Support- CUPE & Poly Party expired March 31/02

University of Victoria- CUPE (917 & 951 Support) expired March 31/02· *CUPE (4163 Component III Sessionals)* expires August 31/02

Colleges and Institutes

Colleges Support Staff- 14 institutions (CUPE & BCGEU) expired June 30/02 & Capilano (OPEIU) expired March 31/02· Last round had a common table agreement with 11 colleges. This round bargaining is occurring locally.

Open Learning and Open Learning Faculty (CIEA)· Expired March 31, 2001

Community Social Service Sector

First agreements and renewals for 29 bargaining units (Mostly BCGEU)