**Bill 124 and Bargaining 2020**

**What you need to know!**

* **What is Bill 124 and how does it affect us?**

Bill 124 is the “Protecting a Sustainable Public Sector for Future Generations Act” and applies to a broad swath of unionized and non-unionized broader public sector workers, including university workers. It imposes three-year “moderation periods” where increases in salary and total compensation are capped at 1% per year. The three-year moderation period starts when current contracts expire.

* **What is included in the 1% wages cap?**

This legislation imposes a 1% cap on wage increases i.e.: new amounts of money added to your current salary.

Note: This INCLUDES any increases to wages and any one-time payments. It does not affect existing salary grid step increases. You will still progress up the grid as usual. Under Bill 124 we cannot bargain changes to the existing grid that would help people move up faster.

It DOES NOT INCLUDE rights under the Pay Equity Act.

* **What does “total compensation” mean?**

Total compensation includes anything that provides additional financial benefits to employees e.g.: health benefits, tuition waivers, paid time off such as vacation and personal days, etc. This covers anything provided by the employer that has a dollar amount tied to it.

Any improvements or increases that we bargain to benefits must, cumulatively, add up to an amount that is equivalent to or less than 1% increase in the university’s spending on total compensation for our bargaining unit.

It DOES NOT INCLUDE additional costs to the employer for continuing to provide existing benefits. For example, we get $400 for glasses every two years. If it costs U of T more to continue to provide a $400 benefit, that does not count towards the 1% increase.

* **Can we bargain benefit improvements?**

The legislation permits improvements as long as the total increase in the costs of all compensation including benefits stays in the 1% cap.

* **What about the “bridge”?**

The early retirement bridge benefit outside of the pension plan is a top-up payment available to members who retire under the 60/80 provisions of our pension plan. Our position is that this is an existing entitlement not an improvement affected by the 1% cap. We don’t know the university’s position on this yet, however, our position is that the bridge must be maintained.

* **What if we bargained a pay raise after the three-year waiting period?**

The legislation prohibits increases over the cap – either before or after the “modernization” period – that are intended to make up for increases that would have been provided but for the legislation. If the government finds that the legislation has been violated, they have the power to overturn the agreement, and send us back to the table.

* **What if U of T and the union just go ahead and agree to a 2% compensation increase?**

If we are able to bargain for increases over the 1% cap, the government has the power to overturn it, void the collective agreement and send us back to the table.

* **What if we strike for more compensation?**

If we are able to win a bigger increase through labour action, the government has the power to overturn it, void the agreement and send us back to the table.

* **What’s the point of bargaining, anyway?**

This Act does limit our rights to free collective bargaining related to compensation issues.

This Act does not limit our ability to bargain non-compensation issues such as hiring, job security, protection against contracting out, harassment & discrimination, workload, accommodation, mental health resources, and health and safety etc.

Regardless of the legislation we will develop our proposals and strategy based on our members direction.

* **Inflation is about 2%, how is this fair?**

It’s not. The Ford government is blaming the deficit and government expenditures on “out of control” public sector salaries. The average wage settlements in the public sector have actually been lower than those in the private sector for five years running.

* **How will capping our wages help the provincial budget?**

It won’t. Universities get their funding from multiple funding sources of which provincial funding is a relatively small percentage.

Further, funding for the university sector is not based on our salaries; it is on a per-student basis. Ontario Universities receive on average, only 35% of their revenue from per-student operating grants (which is the lowest per-student funding in the country). Simply put our salaries are not a line item in the provincial budget. The province is not our employer and a wage increase in the university sector will not have any impact on the provincial deficit.

**• How is the union fighting this?**

Our union and other unions have been fighting this legislation since the act was first announced.  We have made presentations at the consultations and the Standing Committee on General Government. We have also lobbied, demonstrated and mobilized in opposition of this legislation. Our union has also joined with other unions to submit a legal challenge under the Charter of Rights and Freedoms because the Act interferes with our right to collectively bargain.

Please watch for continuing calls to action to fight back the Ford Government’s agenda!