

Five reasons why your demand for wage increases is better than Canada Post's demand for a "Corporate Team Incentive"

January 19, 2007 - 21:25

Urban Postal Unit Negotiations - 2007 / Bulletins

Negotiations Bulletin no. 21

1. The CTI is not a substitute for wages: The Corporate Team Incentive (CTI) is a lump sum of money. It is *not* as good as a wage increase. With a regular wage increase, your hourly rate rises every year. It is cumulative. The incentive payment disappears after it has been paid. It doesn't get added to your wage like a wage increase.

The CTI doesn't apply to the calculation of overtime. It doesn't apply to the wage used for disability insurance. Temporary employees are not eligible.

2. Wage increases generate a lot more money in the long run: Our calculations show that, in the long run, we would be better off negotiating an additional half percent wage increase than the CTI.

Management wants postal workers to agree to a CTI of 3 % each year for meeting corporate performance targets. The incentive could be less than 3% or nothing if targets are not met, or more than 3% if targets are exceeded.

Let's assume that management negotiates a 2.5% wage increase like they did with the other bargaining units at Canada Post and a CTI of 3% for meeting targets. Let's also assume that the CTI actually generates 3% each year.

See for yourself on the other side of this bulletin how an additional half percent wage increase - 3% instead of 2.5% - would give postal workers more money than a 3% CTI after six years.

After twenty years, an additional .5% wage increase would provide a postal worker with almost \$5000 more on average in the last five years at work which are also the years used to calculate pensionable income.

3. You don't know what you're agreeing to: The CTI targets are established by the employer who can change those targets from year to year during the life of the collective agreement. And the union has no right to grieve terms or conditions that are determined by management.

4. Management incentives may encourage bad behaviour: The CTI is based on four targets: customer value index, financial performance, delivery service and employee engagement.

Under employee engagement, there are targets for absenteeism and accident frequency. These targets may do the opposite of what they appear to do.

Postal workers may fail to report accidents to meet accident frequency targets and keep CTI payments on track. Likewise, workers may come to work sick with a view to keeping the CTI by reducing their absenteeism.

5. This is Canada Post's demand, not yours: In every round of bargaining, the corporation attempts to keep costs to a minimum. They usually have a budget. Negotiations is all about determining where the money goes. Does it go to wages or the CTI? The CTI is what the corporation wants to negotiate *instead of a wage increase*. The CTI is designed to save Canada Post money in the long run; it is not designed to give *you* more money in the long run.

Let Canada Post know that you want your demand for a wage increase, not their demand for the CTI.

In solidarity,

Pat Bertrand
CUPW Chief Negotiator