

Negotiations



cupw•sttp

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The Corporate Team Incentive (CTI): What is it?

The CTI is an incentive program that pays out lump sums of cash once per year based on the national performance of Canada Post Corporation. Targets are determined by management and may change each year. In 2006, the CTI was based on the national results of Canada Post's performance in the areas of customer value index, financial performance, delivery service and employee engagement.

Each year the Canada Post Board of Directors establishes new targets. That is why you can never be sure if the CTI will pay out any money.

The potential payout: The CTI provides for a potential payout of 3% of regular wages to eligible employees. If the targets are surpassed, the CTI will pay more than 3%. If the targets are not met, the payout will be less than 3%. Management reserves the right not to pay out any CTI if profits are low.

The payout is based on a percentage of regular wages at the straight time rate. For example, all eligible full-time mail handlers would receive the same payout. MAM 11's would receive more than mail handlers because their regular wage rate is greater. If Canada Post met all of their targets at 100% in 2007, the CTI would pay \$1,396.29 to each eligible full-time letter carrier or postal clerk. MAM 11's would receive \$1,580.93.

Past performance: In recent years the CTI targets have been surpassed. There is no guarantee that will happen again.

Eligible employees: Regular full-time employees who work and are paid for 520 hours during the year are eligible for the CTI. Regular part-time employees who work and are paid for 175 hours are also eligible.

Temporary employees do not receive the CTI.

National performance only: The collective agreement guarantees that the CTI will measure only national performance and not individual work performance or the performance of a work complement or facility. The language states: "The Corporation recognizes the Corporate Team Incentive is used to measure the overall national performance of the Corporation". The union's legal council has confirmed that the language is iron clad and that this aspect of the CTI cannot be

changed during the life of the collective agreement.

A pensionable lump sum: The CTI is a lump sum and not cumulative like a wage increase. The CTI is pensionable. Employees on leave without pay will be able to buy back the CTI portion of their pensionable earnings.

The targets: Most of the CTI is based on Canada Post's profits, delivery performance and customer satisfaction. In 2006, 2.5% of the CTI was based on how well Canada Post did concerning their objective to reduce the national injury rate and 2.5% was based on their results concerning their objective to reduce absenteeism nation-wide.

Cannot take it to the bank: No member should base their financial planning on the CTI. The tentative collective agreement includes increased wages, premiums, and benefits that will put real money in your pocket. The CTI may provide some one-time bonus cash, or it may pay out nothing at all.

The CTI and the CUPW national constitution: CUPW's policies, as included in our national constitution, declare the union's opposition to productivity bargaining and incentive programs. The union continues to oppose productivity bargaining and incentive programs. The 10.9% real wage increases and other improved benefits and premiums negotiated in this agreement are *not* linked to performance targets or incentives. The union has made it clear to Canada Post that we will not promote the CTI nor will we encourage our members to modify their behaviour in the workplace to meet arbitrary CTI targets. However, the union is prepared to accept the CTI in order to achieve an otherwise good collective agreement.

Solidarity,

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CUPW Chief Negotiator
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