

**MEMORANDUM OF AGREEMENT**

**BETWEEN**

**THE PUBLIC SERVICE ALLIANCE OF CANADA (PSAC)**

**AND**

**THE CANADA POST CORPORATION (Corporation)**

**June 25, 2013**

The parties hereby agree as follows, for the purposes of implementing the order of the Canadian Human Rights Tribunal (“CHRT”) dated October 7, 2005 (“Order”):

**1.0 Wage Gap Calculation**

1.1 The Kervin level-to-line regression methodology will be used with the list of jobs and point values as indicated in Appendix C & D of the CHRT Exhibit HR-93B and as amended by the Addendum to Appendix D of the CHRT Exhibit HR-93C.

1.2 For purposes of the calculation of the wage gap, the wages to be used are the Corporation’s CR maximum rates and the Corporation’s PO maximum rates as per the rates agreed to and exchanged between the parties.

1.3 The wage gap will be determined based on a comparison of hourly rates of pay of the CR and PO groups.

1.4 The CR hourly rate will be based on the annual rates of pay (as per 1.2 above) divided by 1956.6.

1.5 The CR and PO rates will be separate blended annual rates to reflect any changes to the rates over the course of a single year. The rates are indicated in Appendix A.

1.6 The methodology stated above has been used to determine the following wage gap by eligible year and classification level. Amounts below reflect the wage gap, less fifty per cent (50%), as per the Order:

	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
CR2	1.93	1.84	2.08	2.50	2.32	2.41	2.49	2.52	2.57	2.50	2.58	2.65	2.64	2.16	2.06	2.19	2.20	2.27	2.32	2.40	2.50
CR3	1.17	1.01	1.25	1.67	1.49	1.58	1.63	1.63	1.62	1.53	1.58	1.62	1.71	1.49	1.38	1.51	1.51	1.56	1.60	1.67	1.75
CR4	0.69	0.49	0.73	1.15	0.97	1.06	1.10	1.07	1.03	0.92	0.96	0.99	1.01	0.60	0.47	0.59	0.57	0.61	0.64	0.68	0.75
CR5	0.07		0.04	0.46	0.29	0.39	0.40	0.34	0.26	0.13	0.15	0.15	0.25	0.07		0.05	0.02	0.04	0.07	0.09	0.14

1.7 The parties agree that any negatives in the wage gaps, in any particular year, will be deemed zero and as such will not reduce any payout.

## **2.0 Eligibility**

2.1 Eligibility shall apply to current and former PSAC-represented employees with service (substantive or acting) in one of the following eligible class codes of the Corporation (CR2, CR3, CR4, or CR5) from August 24, 1982 to June 2, 2002. No payment and/or wage adjustment will be made for periods of ineligible service, including unpaid leaves and work performed outside one of the eligible class codes.

2.2 All paid leaves will be included for eligibility purposes. These include: maternity/parental leave; vacation leave; sick leave; bereavement leave; marriage leave; court leave; illness in the family leave; birth/adoption leave; family-related responsibilities leave; personnel selection leave; billed union leave; injury-on-duty leave; pre-retirement leave; special leave; and night worker's leave.

2.3 In salary protected situations, eligibility and entitlement will be based on the individual's protected rate and level (referred to by the PSAC and the Corporation as Red Circled employees).

## **3.0 Pay Related Adjustments**

3.1 The parties agree to assess the following on an individual basis and calculate an adjustment based on the applicable wage gap rate: overtime; maternity/parental supplemental unemployment benefit (SUB) plan; adoption SUB plan; other SUB plan; corporate team incentive; severance; stand-by pay; pension; month of death payment; death gratuity payment; vacation pay-out; applicable life insurance and long-term disability payments.

3.2 The PSAC will reimburse to the Corporation any amounts paid to individuals for periods of billed union leave at the appropriate interest rates as outlined in 5.2 and 5.3 below. Short periods of leave will be reimbursed in the same amounts as outlined in Appendix B.

3.3 Individuals with short-term service as described in 4.1 below will not be entitled to any pay related adjustments under 3.1.

## **4.0 Individuals with Short-term Service**

4.1 For each period of ninety (90) days or less of eligible service, individuals will be paid a flat amount, inclusive of required interest as described in 5.0 below, based on their length of service and classification as outlined in Appendix B attached for the specified period.

4.2 Lump sum payments will represent the full and final entitlement of the individual.

## **5.0 Interest**

5.1 Simple interest shall be applied annually to the amount awarded as per 1.6 less an amount equal to ten per cent (10%).

5.2 Pre-judgment simple interest shall be determined and payable using the Canada Savings Bond rate in effect September 1<sup>st</sup> of each year concerned as outlined in Appendix C attached until October 6, 2005.

5.3 Post-judgment simple interest shall be payable at the rate of four per cent (4%) as prescribed by the *Courts of Justice Act* of Ontario from October 7, 2005 to the date of individual payment.

## **6.0 Deductions**

6.1 Where an overpayment or arrears situation exists, the full overpayment amount will be deducted from the final award amount prior to it being issued.

6.2 The Corporation will deduct all applicable income taxes, employment insurance premiums, Quebec parental insurance premiums, Canada pension plan premiums, Quebec pension plan premiums and territorial payroll taxes, adjusted Superannuation and/or Canada Post Corporation Registered Pension plan contributions, applicable life insurance premiums and long term disability and disability insurance premiums.

## **7.0 Payment Process**

7.1 Once an individual file is complete, the Corporation will issue a payment in the full amount with a summary statement to the individual.

7.2 Individuals with periods of more than ninety (90) days of eligible service will receive a detailed statement indicating eligible periods of service, classification level, paid hours, and entitlement to other pay-related adjustments. Individuals with periods of ninety (90) days or less of eligible service will receive a basic statement indicating the methodology of the lump sum amount and the periods of service.

7.3 A notice of the recalculation process as per 8.0 including timelines will be included with these payments.

7.4 The Corporation shall make all reasonable efforts to ensure payments commence by August 1, 2013.

## **8.0 Requests for Recalculation**

8.1 Subject to 8.5, individuals who believe there is an error in service calculation, allowance eligibility, or payment amount shall be able to participate in a three step review process:

Step 1: The individual must submit an explanation, in writing, to the Corporation copied to the PSAC of the alleged discrepancy with supporting documentation, if available, within:

- Ninety (90) calendar days of the receipt of payment for those with periods of ninety (90) days or less of eligible service; or
- One-hundred and twenty (120) calendar days of the receipt of payment for those with periods of more than ninety (90) days of eligible service.

Those individuals with eleven (11) or more periods of ninety (90) days or less of eligible service, provided that such explanation includes documentation of all hours worked for all periods, may within ninety (90) calendar days of the receipt of payment, at their request, have their entitlements under this agreement calculated based on such hours without reference to 4.0

The Corporation will then have forty-five (45) calendar days to communicate its decision to the individual (with a copy to the PSAC).

Step 2: If the individual is not satisfied with the Corporation's decision, the individual will have fifteen (15) calendar days from the date of receipt of the Corporation's decision to request a review by the joint PSAC/Corporation committee.

Step 3: If the joint committee cannot reach consensus, the PSAC will have thirty (30) calendar days from the date of the final committee meeting, to notify the individual and the Corporation of its intent to proceed in front of an independent third party.

8.2 The Step 2 joint committee will be comprised of two individuals from the Corporation and two from the PSAC. Each party will be responsible for its own expenses incurred as a result of joint committee activities.

8.3 The independent third party will be jointly selected and fees and expenses will be shared equally by the Corporation and the PSAC.

8.4 Any decision issued by the independent third party will be binding but not precedent setting.

8.5 The wage gap methodology, wage gap rates, eligible classifications, eligible paid leaves, eligible pay related adjustments, and payment process which have been agreed to by the parties cannot be disputed.

## **9.0 Other**

9.1 Where an eligible individual is deceased, the entitlement will be issued to their estate.

9.2 In order for former employees (or employees' estates if they are deceased) to receive payment in accordance with this Agreement, the employer shall, at a minimum, notify such individuals (or the estates' executors), by registered mail, at their last known address, that they have two (2) years from the date of receipt of the letter to request payments in writing, after which time any obligation upon the employer to provide payment ceases.

9.3 Notwithstanding 9.2 hereof, those employees who are not able to be contacted by mail or other form of notification shall have five (5) years from the date of the issuance of the last payment to claim entitlement under this agreement after which time any obligation upon the employer to provide payment ceases. The Corporation will notify the PSAC in writing when the last payment has been issued and the five year window commences.

9.4 The Corporation undertakes to publicize this award through notifications in major Canadian newspapers (at a cost to it no greater than \$150,000), publically accessible websites of the Corporation and the Corporation's pension newsletter.

## **10.0 Dispute Resolution**

10.1 If not otherwise resolvable by and between the parties to this agreement, disputes regarding the interpretation, application or alleged violation of this Memorandum of Agreement must be brought before the CHRT for resolution. In this regard, the parties consent to these Minutes of Settlement being made a Consent Order of the CHRT. In addition, the parties acknowledge and agree that the CHRT shall remain seized and retain jurisdiction with respect to such disputes.

Dated at Ottawa this 25<sup>th</sup> day of June, 2013.

THE PUBLIC SERVICE ALLIANCE  
OF CANADA

Per:   
Authorized Signatory

CANADA POST  
CORPORATION

Per:   
Authorized Signatory

## APPENDIX A

Blended Wage Rates																					
<i>PO Wage Rates (Blended by Year):</i>																					
	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
PO2	12.09	12.89	13.46	13.86	14.17	14.34	14.77	15.25	15.86	16.44	16.88	17.36	17.89	18.04	18.04	18.38	18.67	19.04	19.36	19.83	20.35
PO4	12.25	13.05	13.62	14.02	14.33	14.50	14.93	15.41	16.02	16.60	17.04	17.52	18.05	18.20	18.20	18.54	18.83	19.15	19.51	19.99	20.51
PO4	12.25	13.05	13.62	14.02	14.33	14.50	14.93	15.41	16.02	16.60	17.04	17.52	18.05	18.20	18.20	18.54	18.83	19.15	19.51	19.99	20.51
PO5	12.36	13.17	13.75	14.15	14.45	14.64	15.08	15.56	16.17	16.75	17.19	17.67	18.20	18.35	18.35	18.69	18.97	19.30	19.68	20.14	20.66
PO-EXT1	11.17	11.54	11.90	12.98	13.40	13.60	14.00	14.45	15.02	15.56	15.98	16.42	16.92	18.10	18.20	18.54	18.83	19.15	19.51	19.99	20.51
PO-EXT1	11.17	11.54	11.90	12.98	13.40	13.60	14.00	14.45	15.02	15.56	15.98	16.42	16.92	18.10	18.20	18.54	18.83	19.15	19.51	19.99	20.51
PO-EXT2	11.57	11.94	12.31	13.42	13.84	14.05	14.47	14.93	15.50	16.04	16.45	16.90	17.40	18.61	18.71	19.05	19.35	19.68	20.05	20.53	21.06
PO-EXT2	11.57	11.94	12.31	13.42	13.84	14.05	14.47	14.93	15.50	16.04	16.45	16.90	17.40	18.61	18.71	19.05	19.35	19.68	20.05	20.53	21.06
PO-EXT3	11.91	12.28	12.66	13.80	14.22	14.43	14.86	15.33	15.90	16.44	16.86	17.30	17.80	19.04	19.14	19.48	19.77	20.11	20.49	20.97	21.49
<i>CR Wage Rates (Blended by Year):</i>																					
	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
CR2	7.82	8.57	8.56	8.49	9.21	9.21	9.48	9.87	10.36	11.07	11.34	11.65	12.18	13.85	14.10	14.17	14.44	14.66	14.89	15.21	15.52
CR3	9.39	10.29	10.28	10.20	10.92	10.92	11.25	11.71	12.32	13.07	13.39	13.76	14.10	15.23	15.51	15.59	15.88	16.12	16.38	16.73	17.08
CR4	10.43	11.43	11.42	11.33	12.05	12.05	12.41	12.93	13.59	14.37	14.72	15.13	15.60	17.11	17.42	17.51	17.84	18.11	18.40	18.79	19.18
CR5	11.84	12.98	12.97	12.87	13.58	13.58	13.99	14.58	15.33	16.14	16.54	17.00	17.31	18.33	18.67	18.77	19.12	19.40	19.72	20.14	20.56

## APPENDIX B

As per 4.0, individuals will be paid the following amounts based on service category and classification:

### Fourteen (14) days or less

	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
CR2	\$140	\$130	\$140	\$160	\$140	\$140	\$140	\$140	\$130	\$120	\$120	\$120	\$120	\$90	\$80	\$90	\$90	\$90	\$90	\$90	\$90
CR3	\$150	\$120	\$140	\$180	\$160	\$160	\$160	\$150	\$150	\$130	\$130	\$130	\$130	\$110	\$100	\$100	\$100	\$100	\$100	\$100	\$110
CR4	\$90	\$60	\$80	\$120	\$100	\$110	\$110	\$100	\$90	\$80	\$80	\$80	\$90	\$40	\$30	\$40	\$40	\$40	\$40	\$40	\$50
CR5	\$10	\$0	\$10	\$70	\$40	\$50	\$50	\$40	\$30	\$20	\$20	\$20	\$30	\$10	\$0	\$0	\$0	\$0	\$10	\$10	\$10

### More than fourteen (14) days up to and including thirty (30) days

	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
CR2	\$200	\$180	\$190	\$220	\$200	\$200	\$200	\$190	\$190	\$170	\$170	\$170	\$160	\$130	\$120	\$120	\$120	\$120	\$120	\$120	\$130
CR3	\$280	\$230	\$270	\$340	\$300	\$300	\$300	\$290	\$280	\$250	\$240	\$240	\$240	\$210	\$180	\$200	\$190	\$190	\$200	\$200	\$200
CR4	\$170	\$110	\$180	\$240	\$190	\$200	\$200	\$190	\$180	\$150	\$150	\$140	\$140	\$80	\$60	\$80	\$70	\$80	\$80	\$80	\$90
CR5	\$30	\$0	\$20	\$160	\$100	\$120	\$120	\$100	\$70	\$40	\$40	\$40	\$60	\$20	\$0	\$10	\$0	\$10	\$10	\$20	\$30

### More than thirty (30) days up to and including sixty (60) days

	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
CR2	\$750	\$670	\$720	\$840	\$750	\$750	\$750	\$730	\$710	\$660	\$640	\$640	\$610	\$490	\$450	\$460	\$460	\$460	\$460	\$460	\$470
CR3	\$590	\$470	\$560	\$720	\$620	\$630	\$630	\$610	\$580	\$520	\$510	\$500	\$510	\$440	\$390	\$410	\$400	\$410	\$410	\$420	\$430
CR4	\$350	\$230	\$330	\$500	\$400	\$430	\$430	\$400	\$370	\$310	\$310	\$310	\$300	\$170	\$130	\$160	\$150	\$160	\$160	\$170	\$180
CR5	\$60	\$0	\$30	\$280	\$170	\$220	\$220	\$180	\$130	\$80	\$70	\$60	\$110	\$30	\$0	\$20	\$10	\$10	\$20	\$30	\$50

### More than sixty (60) days up to and including ninety (90) days

	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
CR2	\$1,440	\$1,290	\$1,390	\$1,620	\$1,440	\$1,440	\$1,440	\$1,410	\$1,370	\$1,260	\$1,240	\$1,230	\$1,180	\$940	\$860	\$890	\$880	\$890	\$890	\$890	\$910
CR3	\$1,070	\$870	\$1,030	\$1,330	\$1,140	\$1,160	\$1,160	\$1,120	\$1,060	\$950	\$930	\$920	\$940	\$800	\$710	\$760	\$740	\$750	\$760	\$760	\$780
CR4	\$840	\$420	\$600	\$910	\$740	\$780	\$780	\$730	\$680	\$570	\$570	\$560	\$560	\$320	\$240	\$300	\$280	\$290	\$300	\$310	\$330
CR5	\$70	\$0	\$40	\$400	\$240	\$310	\$310	\$260	\$190	\$90	\$100	\$90	\$150	\$40	\$0	\$30	\$10	\$20	\$30	\$50	\$70



### APPENDIX C

As per 5.2, the Canada Savings Bond rates are as follows:

Year	Rate
1982	19.50%
1983	12.00%
1984	9.66%
1985	11.25%
1986	9.00%
1987	7.75%
1988	9.00%
1989	10.16%
1990	10.91%
1991	10.75%
1992	7.50%
1993	6.00%
1994	5.12%
1995	6.37%
1996	5.25%
1997	3.00%
1998	3.41%
1999	3.85%
2000	4.75%
2001	3.65%
2002	1.30%
2003	2.00%
2004	1.25%
2005	1.65%

