

February 9, 2022

RSMC COST OF LIVING ALLOWANCE TO BE PAID FOR OCTOBER—DECEMBER 2021

Due to recent increases in the Consumer Price Index (CPI), the Cost of Living Allowance (COLA) for RSMCs will generate a COLA payment for the period of October 1 to December 31, 2021.

33.06 of the RSMC Collective Agreement

The RSMC collective agreement provides for the COLA to be paid to route holders and permanent relief employees as follows:

33.06 (ii) The allowance will be paid on a basis of zero point zero three seven five percent (0.0375%) of the activity component paid for each full zero point zero five zero four (0.0504) of a point increase in the C.P.I. above the adjusted index which is five point thirty three percent (5.33 %) greater than the C.P.I. Index published for December 2019.

The Calculation

The CPI for December 2019 was 136.4

The adjusted index is 143.7

The CPI for October 2021 was 143.9
(triggering the COLA)

The CPI for December 2021 was 144.0

The difference between the adjusted index and December 2021 is 0.3

$0.3 \text{ divided by } 0.0504 = 5.95$

$5 \times 0.0375\% = 0.1875\%$

Therefore, the COLA will be paid in a lump sum equal to 0.1875% of all activity values paid in October – December 2021.

Example: An RSMC having five years of service and a route assessed for 8 hours per day would have received \$15,407 pay. The COLA of 0.1875% will amount to \$28.89 before taxes.

Provisions in the Collective Agreement

The COLA is paid to route holders and permanent relief employees. It will not be incorporated into the activity component going forward. COLA payments will be made as a lump sum and paid in arrears. Any allowance paid shall not affect any premium rates or pensionable income but shall be included in computing pay for statutory holidays and paid leave.

Urban COLA

Since the Urban collective agreement expires on January 31, 2022, the quarters for the COLA are November 2021 to January 2022. The Consumer Price Index for January 2022 will be published in mid-February, and we will know the COLA situation for Urban members at that time.

New COLAs in Renewal Agreements

The new 2-year renewal agreements began on January 1, 2022 for RSMCs and February 1, 2022 for Urban.

Both of these renewal agreements have new COLA provisions which will payout if inflation increases 5.33% above the rate which existed in the month prior to the beginning of the renewal agreement (December 2021 for RSMCs and January 2022 for Urban).

In solidarity,



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2019-2023 / Bulletin # 340
/bk-vm cope 225