



June 10, 2013

## CUPW Challenging 50-50 Pension Contributions

Currently employees pay contributions that equal 40% of the cost of the Canada Post Pension Plan and the employer's contributions amount to 60% of the cost. This 40-60 ratio was established in law when the Canada Post Pension Plan was created and Canada Post employees ceased to be part of the Federal Superannuation Plan.

On May 29, 2013 Canada Post Corporation sent a letter to all employees stating that, effective July 1, 2013, the employee contribution rate for the Canada Post Pension Plan will rise by 0.7 per cent of pensionable earnings. It stated that further increases would occur in 2014 until the rate of contributions for employees would be 50%, the same as that for the Corporation.

### A Unilateral Violation of the Collective Agreement

The decision to raise the rate of employee contributions was taken unilaterally by Canada Post management without consultation or agreement with the Union.

This is a clear violation of clause 37.01 of the Urban Collective Agreement which reads as follows:

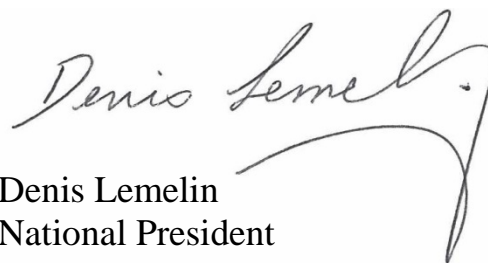
#### **37.01 Conditions Not Covered**

*(a) The existing working conditions concerning the payment of a premium, the payment of an allowance or the payment of any other financial benefit that are not covered by this collective agreement shall remain in effect until such time as they are otherwise renegotiated between the parties.*

### An Arrogant and Disrespectful Action

The decision of CPC to unilaterally change the level of financial contributions to the pension is disrespectful both to employees and the Union. Management fails to recognize that all of the money that goes into the pension, both the employer's contributions and those made by the workers, constitute deferred wages that belong to the workers, not management. It is the workers of Canada Post who have been responsible for CPC being profitable for 17 of the last 18 years. It is our work that has resulted in CPC paying the federal government over \$1 billion in taxes and dividends during this period. Management has absolutely no right to unilaterally take decisions that reduce our pay cheques without consultation and agreement.

In solidarity,



Denis Lemelin  
National President

2011-2015 / Bulletin #169

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