

CUPE FACTS

January 2015

FAQ on funding for developmental services workers

CUPE representatives took part in consultations with employers and OPSEU on the distribution of \$200 million allocated over three-years to workers at developmental services agencies in the 2014 budget. This fact sheet summarizes the recommendations that the Ministry of Community and Social Services (MCSS) has agreed to implement.

How will the money be distributed?

The MCSS has dedicated \$20 million of the \$200 million for Intervenor & Interpreter, Violence Against Women, and Aboriginal Healing and Wellness Strategy. Eighty per cent of the remaining \$180 million will be distributed to developmental services agencies for wages and associated mandatory statutory benefit costs. This money will be distributed to agencies based on the number of Full Time Equivalent (FTE) employees they employ. Twenty per cent of the money, also distributed on a per capita FTE basis, is to address “precarious work issues” defined as low wages, pensions and benefits as well as any associated mandatory statutory benefit costs.

For 2014-2015, \$36 million will be distributed retroactive to April 1, 2014, which will continue with an additional \$36 million available April 1, 2015, for a total of \$72 million going forward.

The total cost over three years will be \$180 million.

Who gets the wage increase?

The money will go to all staff employed by the agency that are funded by MCSS excluding Executive Directors/CEOs and employees who report directly to Executive Directors. The distribution also excludes employees in a management role which includes the right to hire and fire other employees. All other employees, including drivers, cleaners, clerical staff, support workers and relief and overnight workers will receive the wage increase. Depending on whether these workers are included in the bargaining unit, this means some money could go to non-union staff.

Passport and Special Services At Home (SSAH) workers will only receive the wage increase if they are a member of the bargaining unit.*

How will the wage increase be calculated?

For CUPE bargaining units, the wage increase must be allocated as a flat rate wage increase for all members of the bargaining unit.

The specific wage increase for each bargaining unit will be calculated by dividing the money received by the total hours for all FTE employees who are eligible for the wage increase less the increased costs of any mandatory statutory benefits.

How will the money for precarious work issues be used?

The 20% will be negotiated through collective bargaining. CUPE recommends that locals select precarious work issues relevant to their workplace that are included in the 2014 Coordinated Bargaining Kit. This includes wage increases for overnight and other low-waged workers, negotiating benefits for part-time workers and enrolment in the Multi-Sector Pension Plan. The priority is to bring up wages below \$18 in line with CUPE's Strategic Directions to bring up our lowest paid members to \$18 per hour by 2018.

When will the wage increase take effect?

The money for 2014-2015 will be transferred to agencies by February 1, 2015, and by April 1, 2015, for the 2015-2016 installment. The wage increase will flow to employees within 30 days of an agreement on wage increases. This could be through a ratified collective agreement or a Memorandum of Understanding for collective agreements that are not open. If no agreement is reached on the wage increase for the 80% allocation by June 1, 2015, the money will be distributed as a flat rate increase.

What about increases to benefits costs?

The flat rate wage increase will raise some mandatory statutory benefit costs for employers. This will need to be factored into the calculation of the wage increase. For example, Canada Pension and Employment Insurance premiums are calculated as a percentage of earnings. Given that the wage increase will increase earnings, the allocation will have to cover cost increases for statutory benefits.

The increased statutory benefit costs arising from the flat-rate wage increase should come from the 80% allocation. Any increased statutory benefits costs arising from the 20% Precarious Work Issues funding should come from that 20% allocation.

How will the number of FTE employees be calculated?

The MCSS advises agencies how to calculate the number of FTEs.

What about pay equity?

This money is not intended to meet employers' pay equity obligations. Employers are still required to find the funding required to meet their obligations under the *Pay Equity Act*.

How do we make sure all the money goes to workers?

The MCSS will collect the data on the number of FTEs and inform agencies and unions of the allocation per agency with supporting documentation by January 31, 2015. It will be important for each local to determine the number of FTEs at their agency in order to ensure the allocation is correct. CUPE will review the information to ensure the allocation is accurate and fair.

What about workplaces that are funded by several ministries?

Some agencies are only partially funded by the MCSS. In these cases, only the MCSS-funded workers will receive the wage increase.

How much is the government investing in front-line workers? Where is the money coming from?

The MCSS will spend \$180 million over three years on front line workers in the

developmental services sector from the community and social services budget.

	Precarious work issues (20%)	Wage increase (80%)	Total
2014-2015	7.2 million	28.8 million	36 million
2015-2016	14.4 million	57.6 million	72 million
2016-2017	14.4 million	57.6 million	72 million
Totals	36 million	144 million	180 million

What about ongoing work in the sector?

The unions and employers recommended and the MCSS agreed that a Developmental Services Advisory Group would be created to work toward strengthening the sector. The group will look at labour force stability, undertake a compensation study, and consider health and

safety issues/trends. This group including ministry, labour and employer representatives will hold their first meeting by June 1, 2015. This is a major achievement that we hope will help create quality employment and consistency and continuity of care for adults with developmental disabilities.

*Note: Passport and SSAH workers employed by unionized agencies should be included in the bargaining unit where possible. Please review your scope clauses to determine coverage.



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