

EMPLOYERS' GUIDE TO MANDATE 2010

EMPLOYERS' GUIDE TO MANDATE 2010

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Executive Summary

Outline of Mandate 2010 Key Elements:

- Mandate 2010 applies to all **public sector employers whose collective agreements expire between December 31, 2009 and March 31, 2012.**
- Mandate 2010 defines the direction that employers will be given by the Province for negotiations to renew collective agreements.
- The guiding principle of Mandate 2010 is that in order to protect the Province's ability to fund vital public services, public sector employers may not negotiate increases to total compensation.
- The Key Elements of Mandate 2010 are:
 - Term – 2 years
 - No net increases in total compensation costs
 - Compensation Trade-offs
 - Specific direction on specific issues:
 - Management Rights
 - Employment Security
 - Binding Interest Arbitration
 - “Me Too” Provisions
 - Changes to Paid Hours of Work

The Province has established Mandate 2010 to define the direction that employers and employers' associations will be given by the Province for negotiations to renew collective agreements. The goal of Mandate 2010 is to achieve voluntarily negotiated collective agreements in the BC public sector that assist the Province in delivering public services in a cost effective and financially prudent manner.

How to use this Guide:

Every employer bargaining agent (i.e., individual public sector employers or employers' association) must have a Government-approved Bargaining Plan before engaging in collective bargaining. The Employers' Guide to Mandate 2010 is designed to be a central reference document for employer bargaining agents to use in preparing their requests to Government for mandates to bargain. The Guide contains descriptions of the key components of Mandate 2010 that will assist employer bargaining agents in preparing their proposed

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Bargaining Plans, and also sets out specific expectations that the Province has of employer bargaining agents.

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Employer Bargaining Mandate Approval Process

Synopsis:

- Employer bargaining agents (i.e., individual employers or employers' associations), Ministries, PSEC Secretariat, and service delivery agents need to coordinate their efforts to ensure that collective bargaining outcomes support Government's policy direction and service delivery priorities.
- Employer bargaining agents must first obtain approval of a Bargaining Plan from Government before commencing collective bargaining, and must seek approval from Government for any subsequent changes to an approved bargaining plan.

- The following is a description of the steps that all employer bargaining agents must follow during the period of collective bargaining covered by Mandate 2010. These steps are meant to ensure that an employer bargaining agent has a clear mandate from Government to bargain and conclude a collective agreement, and that resulting collective agreements support Government's policy direction and service delivery priorities.

BARGAINING PLAN APPROVAL PROCESS:

1. Development of Bargaining Plans

- Prior to engaging in collective bargaining, employer bargaining agents must obtain approval to bargain through the Public Sector Employers Council Secretariat. Employer bargaining agents obtain this approval by preparing Bargaining Plans for approval by the Province.
- Employer bargaining agents must develop their Bargaining Plans in consultation with relevant Ministries, the PSEC Secretariat, and service delivery agents.
- Bargaining Plans must summarize the employer bargaining agent's plans for reaching a negotiated agreement under the Province's Mandate 2010. If an employer bargaining agent intends to address any of the following issues in bargaining, they must include a description of what they intend to negotiate in their Bargaining Plans:

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- Any Compensation Trade-off (i.e., “Net Zero”) proposals, including those involving:
 - operational savings,
 - changes to wages and/or benefits,
 - unfunded liabilities,
 - pensions, or
 - any other trade-off or proposal that may have an effect on the employer’s or a sector’s compensation base
 - Goalsharing Plans
 - Changes to Management Rights
 - Employment Security proposals
 - Separation Incentives
 - Proposals for Binding Interest Arbitration
 - "Me Too" Provisions
 - Changes to Paid Hours of Work
 - Proposals for Policy Table Discussions
-
- Bargaining Plans must also include:
 - Costing—in the PSEC template—of proposals
 - A high-level communications plan
 - Any other relevant contextual information

2. Bargaining Plan Review and Approval

- Employer bargaining agents must submit their Bargaining Plans to the PSEC Secretariat in advance of bargaining and may not commence collective bargaining until the Secretariat has notified them that the Bargaining Plan has been approved.
- The PSEC Secretariat will coordinate the review and approval of Bargaining Plans, and will make every effort to facilitate their consideration and approval in a timely manner, assuming that employer bargaining agents provide their requests to the Secretariat sufficiently in advance of bargaining.

3. Requests for Changes to Bargaining Plans During Bargaining

- If during bargaining an employer bargaining agent determines that it needs to make any further changes to any of the elements outlined above, it must return to the PSEC Secretariat for approval to have these amendments approved.
- The PSEC Secretariat will coordinate the review and approval of requests for changes to a Bargaining Plan. The Secretariat will make every effort to facilitate

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consideration and approval of changes in a manner that does not interfere with bargaining.

4. Final Offer Approval

- Employer bargaining agents may not table a final offer without first obtaining approval of Government communicated by the PSEC Secretariat.
- If a Final Offer is consistent with an approved Bargaining Plan, Government should be able to provide approval quickly.
- Where a proposed Final Offer is different from an approved Bargaining Plan, the PSEC Secretariat will coordinate the review and approval of the revised Final Offer. The Secretariat will make every effort to facilitate consideration and approval of changes in a manner that does not interfere with bargaining.

5. Conclusion of Bargaining and Employer Ratification

- After receiving confirmation from the PSEC Secretariat a Final Offer has been approved by Government, employer bargaining agents may conclude bargaining and enter into tentative settlements on the basis of the Final Offer approved by Government.
- Employer bargaining agents must keep the PSEC Secretariat informed of the progress of employer and employee bargaining agent ratification processes.

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Financial Framework – Compensation Trade-Offs

Synopsis:

- Employers must **not** negotiate, and the Province will **not fund**, any net increases in total compensation, including general wage increases, labour market adjustments, cost-of-living increases, or benefit enhancements.
- Employers may negotiate **Compensation Trade-offs**. Compensation Trade-offs must be aligned with service delivery objectives.
- **Compensation Trade-offs are increases in total compensation paid to employees or groups of employees that are offset by equivalent savings generated by changes to a collective agreement.** As a result, Compensation Trade-Offs do not result in any additional costs to an employer or to the employer's funder.
- **No additional funding is available to fund any changes to collective agreements.**
- Savings can be generated from a variety of collective agreement changes including:
 - Changes to wages and/or benefits
 - Elimination or modification of collective agreement language that results in operational savings

Principles that Employers should use in developing Compensation Trade-off proposals:

- Compensation Trade-offs must be both **demonstrable and achieved**. This means that changes to collective agreement language that **result in real, ongoing** savings to the employer can be used to fund equivalent compensation increases within the same budget year that the savings were or are created and/or in future years.
- Proposals for Compensation Trade-offs must be supported by the best possible evidence available.
- Ongoing compensation increases must be funded by equivalent ongoing savings, including periods beyond the term of the collective agreement. One-time or time-

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bound compensation increases can be funded by equivalent one-time or time-bound savings.

- No additional funding is available to fund any changes to collective agreements.
- In order to ensure that Compensation Trade-offs do not result in unanticipated net cost increases to the employer, both the proposed compensation increases and the equivalent, offsetting savings must occur in the same budget year.
- Savings generated from changes to a collective agreement can be applied to any part of the total compensation package, including wages (general wage increases, targeted increases, etc.), benefits (targeted enhancements, reductions in premiums, etc.), or one-time payments (signing bonuses, funding for training, etc.).
- Employers will find detailed information for costing Compensation Trade-offs in the **Costing Model** section of the Guide.

Specific Compensation items that Employers may consider in developing Compensation Trade-off proposals:

WAGES

- Savings generated from changes to wage provisions in a collective agreement can be used to fund other compensation increases. As well, savings generated from changes to other collective agreement provisions can be applied to wages, either generally or in a targeted fashion.
- Employers should not create pressures for other employers with similar occupations, and should identify in their proposals where they are aware that such pressures may result.
- The following are some examples of where wages can be used to generate savings and where savings have been used to fund wage increases:
 - “Tilting” of pay line by reducing wage rates for entry level (and easy to recruit) positions, and increasing top pay increment.
 - Savings generated from changes to increment progressions (i.e., more steps) used to provide wage increases.

BENEFITS

- Savings generated from changes to benefit provisions in a collective agreement can be used to fund other compensation increases. As well,

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- savings generated from changes to other collective agreement provisions can be used to enhance benefits.
- Before contemplating benefit enhancements, employers must first consider options to control or cap future growth in benefit costs. As well, employers are encouraged to take steps to:
 - raise employee awareness of rising benefit costs;
 - work jointly with unions to address absence and disability management;
 - explore other initiatives which supports sustainable benefit levels such as joint early intervention programs.
 - Where projected increases in the cost of providing a benefit package can be contained through restructuring of the package or capping benefits, a portion of projected savings can be redistributed within the total compensation package.
 - Where benefit cost savings are calculated with reference to utilization rates, historical utilization rates over at least the previous four (4) years must be used. Historical patterns will be acceptable, provided that the employer and the PSEC Secretariat agree that these rates are not likely to not change over the term of the collective agreement.
 - The following are some examples of where changes to benefits can be used to generate savings, and where those savings can be spent:
 - Savings realized through a higher deductible to pay for a new benefit.
 - Move to a defined contribution benefit plan to pay for a reduction in the number of wage increments.
 - Savings realized through the reduction or elimination of employer payment of Long Term Disability premiums converted into a base wage increase.

OPERATIONAL SAVINGS

Elimination/Modification of collective agreement language:

- Where an employer is able to negotiate the elimination or modification of restrictive collective agreement provisions, savings can be redistributed in the total compensation package.
- The following are examples of where elimination or modification of collective agreement language can be used to generate savings, and where those savings can be spent:

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- Change to overtime call-out provisions favouring straight time versus overtime to pay for a benefit increase
- Increasing scope of practice of a classification of employees and applying overtime savings to wages

Elimination of collective agreement barriers to business transformation:

- Employers may not reduce service and staffing levels in order to provide compensation increases to remaining staff.
- In unique circumstances where an employer's service delivery obligations have changed or are changing as a result of a Government-approved business transformation, collective agreement language may impede changes. In these circumstances, employers may potentially use a portion of operational savings to fund total compensation increases, provided the operational savings are attributable to negotiated changes to a collective agreement.
 - For example: If Government has approved or directed an employer to fundamentally change its service delivery model that will result in permanent staffing reductions, and the employer is able to negotiate the elimination of contracting out language facilitating the change, savings resulting from those reductions could be used to fund one time or ongoing increases in total compensation for remaining staff.
- Employers must take into account one-time costs and actual ongoing savings of business model changes when developing and calculating compensation trade-offs funded from operational savings.

EXTINGUISHING LIABILITIES

- Cost savings can be generated by extinguishing demonstrable legal liabilities that flow from collective agreement provisions, or by eliminating liabilities as defined in the ***Canadian Institute of Chartered Accountant Handbook***.
- Savings from extinguishing liabilities will be recognized only for the amount the employer would have booked or expended for that liability during the period of the collective agreement. Employers may need to provide actuarial valuations in order to support a proposal.
- Employers may be required to obtain and share legal advice with the PSEC Secretariat to support their proposals.

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- Examples of where employers may be able to generate savings from extinguishing liabilities include:
 - Reducing leave banks.
 - Settling a grievance with a high probability of loss.

PENSIONS

- Pensions are a part of an employee's total compensation.
- Whether an employer belongs to a public or private pension plan, savings and expenses related to pension plans can be part of Compensation Trade-offs. Conversely, any improvements to pension plans that result in additional costs to an employer must be funded by offsetting savings found by changes to the collective agreement.
- The negotiation of changes to public sector pension plans involves parties other than the employer and union involved in collective bargaining. The PSEC Secretariat will assist employer bargaining agents in facilitating discussions with the relevant parties.
- There may also be practical difficulties for parties to a collective agreement to discuss or negotiate pension benefits. For example, bargaining units in the post-secondary sector span at least two different pension plans. The PSEC Secretariat can assist employer bargaining agents in dealing with pension issues in these circumstances.
- The following is a list of some pension provisions that can be negotiated at the collective bargaining table:
 - To be brought into one of the public sector pension plans;
 - To have earlier enrolment than provided for in the *Pension Benefits Standards Act* or the plan rules;
 - To include part-time, casual, or temporary employees in mandatory or optional enrolment;
 - To make long term disability plans eligible under the plan rules;
 - To enter into special pension agreements (group defined contribution plan, tax free savings account, or RRSP); and
 - To negotiate monies for post retirement group benefits not covered by the pension plan.

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GOALSHARING

- Goalsharing is a management-driven approach to providing incentives for productivity gains by sharing the economic benefits across an organization after the collective agreement is settled.
- Proposed Goalsharing programs must meet the following criteria:
 - Goalsharing programs should be considered in a broad organizational context so that improvements in one area do not detract from service delivery objectives and overall organizational performance (i.e. they should not negatively impact areas such as quality, safety, or financial performance).
 - The proportion shared and the overall quantum paid to employees needs to be based on a sound analysis of the impact on services.
 - Goalsharing initiatives must measure performance against valid baselines or targets and distribute gains in accordance with an agreed upon formula.
 - Any payout must be based upon realized, tangible and measurable gains. The payout must be funded out of savings generated by the gains and require no new funds from the employer, and must respect annual budget parameters.
 - Metrics used to measure productivity and determine payouts should be aligned with organizational objectives.
 - Goalsharing payments must be in the form of re-earnable lump sum payments.
- Employers must work with PSEC Secretariat at the following points for approval of metrics and calculations:
 - the beginning of each year of the plan - i.e., when valid base lines and targets are established for the year; and,
 - the end of each year of the plan - i.e., when the determination is made about whether a payout is warranted based upon realized, tangible and measurable gains.
- The following are examples of goalsharing programs:
 - Reduced absenteeism from a Joint Early Intervention Plan triggers an annual lump sum payment based on a formula.
 - Provisions of a goalsharing program developed by a BC public sector employer:
 - Provides lump sum payments of up to 2% of wages annually.

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- Payments were dependent on the organization meeting targets established by the Board of Directors prior to the start of a fiscal year in the following key areas:
 - financial performance (defined as "shareholder value added") with a potential value of between 0 and 2%;
 - customer satisfaction (between 0 and 1%);
 - and safety - improvement in all injury frequency (between 0 and 1%).

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Key Policies

Synopsis:

- There are a number of non-monetary issues that may arise in preparation for or during collective bargaining. These items are:
 - Management rights
 - Employment Security
 - Separation Incentives
 - Binding Interest Arbitration
 - “Me Too” provisions
 - Changes to Paid Hours of Work

MANAGEMENT RIGHTS

- Employers **cannot surrender existing “material” management rights in collective bargaining**. Material management rights are those rights that if negotiated away would have a negative impact on the employer’s ability to deliver services effectively and efficiently.
- Examples of material management rights include the right to set staffing levels, scheduling, promotion, contracting out, or any other significant aspects of directing the workforce.
- Any questions regarding management rights and bargaining should be discussed with the PSEC Secretariat prior to bargaining.

EMPLOYMENT SECURITY

- Employment security provisions may vary from employer to employer. Consistent with the need to deliver services effectively and efficiently, negotiating employment security provisions will only be considered where they do not impede policy or service delivery objectives.
- Employment security provisions must be event-specific or time-bound and provide a specific expiry date.
- Examples of employment security provisions that may be considered include time-limited provisions negotiated to aid an employer through a business model change.

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SEPARATION INCENTIVES

- Employers may develop proposals for Compensation Trade-offs that facilitate workforce adjustment (e.g., Early Retirement Incentive Plans), provided that these proposals facilitate service delivery objectives.
- Proposals for workforce adjustment programs must meet the following criteria:
 - the program must be cost-neutral over a defined period;
 - the program must result in an overall reduction in compensation costs and FTE levels;
 - the program must not result in a reduction of service delivery obligations;
 - the program must be consistent with the policy priorities of the employer's funding Ministry and broader Government policy priorities;
 - any immediate costs incurred by the program must be reasonable relative to annual budgets; and
 - the program must not exacerbate or create any future labour market shortages.

BINDING INTEREST ARBITRATION

- Binding interest arbitration delegates to a third party or parties the power to resolve an impasse in bargaining over elements of a collective agreement.
- Employers are not permitted to agree to new binding interest arbitration provisions either in the form of permanent collective agreement language or in the context of dispute resolution for a collective bargaining impasse.

"ME TOO" PROVISIONS

- The use of "me too" provisions is discouraged. In specific circumstances where there are virtually identical collective agreements, "me too" provisions may be acceptable provided that any increases are offset by equivalent compensation trade-off savings generated by changes to the collective agreement.
- The provision of "me too" increases and offsetting compensation trade-offs is subject to approval by the PSEC Secretariat.

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CHANGES TO PAID HOURS OF WORK

- Increases to hours of work that result in increased compensation costs will be considered only where there are offsetting cost savings (e.g. reduced overtime or reduced casual work) or there is a legitimate service delivery requirement that is funded.

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Policy Tables

Synopsis:

- Employer bargaining agents, Unions, Government and other stakeholders may engage in “policy table” discussions as a means to address interests held in common by the parties outside of the collective bargaining process.
- Policy tables are an appropriate means to address issues that cannot be addressed through collective bargaining or are better dealt with outside the collective bargaining process.

- Government supports and encourages the use of “policy tables” as a method of addressing fundamental issues that affect workplace conditions.
- Collective bargaining is limited in terms of what it can accomplish. Only the union and the employer bargaining agent engage directly in collective bargaining. As a result, collective bargaining is often unable to address more systemic issues that hold interest for multiple stakeholders. Issues related to Government’s broader policy direction for a given sector (e.g. scope of practice in the health sector, etc.) can significantly affect working conditions. Often these complex and longer-term issues are ill-suited to the context of collective bargaining, so policy tables may prove a more appropriate forum for problem solving and resolution.
- While policy tables may not be an appropriate option to use in conjunction with collective bargaining in all instances, policy table agreements or commitments to engage in policy tables may be vital to securing negotiated settlements in certain sectors or sub-sectors.

Principles the Province will use in assessing whether to authorize Policy Table Discussions:

- **Separate from Collective Bargaining** - Policy tables will ordinarily take place outside of collective bargaining.
- **Stakeholder Involvement** - Policy tables will normally involve not only parties to the direct collective bargaining relationship but also parties outside that relationship, and must include representatives from the major stakeholders in the relationship. Ministry participation in policy table discussions is particularly important as issues being discussed will often have important implications on service delivery.
- **Appropriate Issues** - Agenda at policy tables will focus on issues that cannot be addressed through collective bargaining alone. Issues that are properly and

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more effectively addressed through collective bargaining should not be part of policy table discussions.

- **Sufficient Resources** - Policy tables should be supported by sufficient resources (e.g., funding for training in interest-based bargaining, commitment by the parties to significant time commitment, etc.) in order for them to be effective and encourage stakeholders to participate.

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Alignment and Coordination of Communications

Synopsis:

- In order to coordinate communications effectively with government, employer bargaining agents should develop communications plans in advance of bargaining.
- Communication plans should identify the communications strategy, roles and responsibilities for communications in the lead up to bargaining, during bargaining, during disputes, and after bargaining has concluded.
- Communications plans and messaging may change during bargaining; employer bargaining agents should work with the PSEC Secretariat to ensure ongoing coordination of communications.

Communication plans should address or identify in summary form:

- Employer roles (i.e. key spokespeople, media contacts, etc.);
- Main messages that are critical to employers' bargaining strategy;
- Other relevant communications matters, including the use of social media, issues or challenges and the plan for how they will be managed.

Questions should be directed to Kindree Draper at (250) 356-5639 or by e-mail at Kindree.Draper@gov.bc.ca

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PSEC Secretariat Costing Model Overview

Synopsis:

- Employer bargaining agents must provide clear and accurate costing of all compensation-related elements in their Bargaining Plans, changes to those Plans that arise during bargaining, and Final Offers.
- Costing of compensation-related elements must be prepared according to key principles and submitted to the PSEC Secretariat in advance of discussion at the bargaining table, and using a common costing template.

Purpose of Costing

- Clear and accurate costing allows Government to make informed decisions in approving Bargaining Plans, changes to those Plans, and in approving Final Offers.
- Costing allows Government to identify all potential financial implications that may flow from collective bargaining.

Process

- Consistent with the general Bargaining Plan approval process described above, Employer bargaining agents must provide clear and detailed costing to the PSEC Secretariat of any compensation-related items in a proposed Bargaining Plan, in a request for amendments to an approved Plan, and in a Final Offer that differs from an approved Plan.
- Costing must be provided to the PSEC Secretariat in advance of the proposed item being tabled during collective bargaining. The Secretariat will make every effort to facilitate consideration and approval of the proposed item in a timely manner, assuming that employer bargaining agents provide their requests to the Secretariat sufficiently in advance of the proposed item being discussed in bargaining.
- Costing must note all costs and savings associated with a Bargaining Plan or Final Offer, and describe the underlying assumptions for each proposed compensation-related item.

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- Costing of compensation-related items must be prepared according to the key principles stated below, and submitted to the PSEC Secretariat using the attached common costing template.
- After the conclusion of bargaining, employer bargaining agents must also provide the PSEC Secretariat with a Memorandum of Settlement, clearly indicating all changes to the agreement (i.e. either a side-by-side comparison or a “track changes” document), and all supporting costing documents.

Costing Principles

Definitions:

- Total Labour Cost: all wage or salary payments, plus wage-impacted and non-wage-impacted benefits, for a given bargaining unit. Total Labour Costs include basic pay, incentive payments, paid time off, allowances, premiums, and employer contributions to pensions and health and welfare benefits for regular, auxiliary or casual work. Total Labour Costs also encompass “backfill” wages and benefit costs for absent employees as well as non-negotiable statutory payments such as CPP, EI, and WCB.
- End Cost: the “annualized” cost of all changes to the collective agreement over the term of that agreement. For example, a 2% benefit decrease and a 2% wage increase has an end cost of 0%.
- Actual Cost: the cost of a change to the collective agreement from the effective date through to the end of the collective agreement year in which it came into effect. For example, a 2% wage increase effective in the middle of the first year of an agreement would have an “Actual Cost” of 1%.
- Incremental Cost: the additional or incremental cost that arises as a result of a change to a collective agreement. Costs in each collective agreement year are determined on the basis of change to the total labour cost compensation base at the beginning of that collective agreement year relative to the end of that year.

Principles:

Employer bargaining agents must apply the following principles in preparing costing:

- 1) **Consistency** – Costing must be provided to the PSEC Secretariat in the attached template and must show:
 - end costs;

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- actual costs; and,
- incremental costs in each year of the proposed settlement.

- 2) **Transparency** – Costing must capture all changes to total labour cost that arise out of a settlement (on an end and actual cost basis).

Employer bargaining agents must identify any changes to a collective agreement that may have cost impacts following the expiry of the agreement, and must estimate and include those costs in its costing.

All settlement changes that may have cost implications but are not included in a formal costing must be noted with a brief explanation.

- 3) **Open Communication before, during and after Bargaining** - Employer bargaining agents must provide clear and detailed costing to the PSEC Secretariat of any compensation-related items in a proposed Bargaining Plan, in a request for amendments to an approved Plan, and in a Final Offer that differs from an approved Plan.

Costing must be provided to the PSEC Secretariat in advance of the proposed item being tabled during collective bargaining.

At the conclusion of bargaining, employer bargaining agents must prepare a Memorandum of Agreement, clearly delineating all changes from the preceding agreement (e.g., using “track changes”), and provide the Memorandum to the PSEC Secretariat along with final costing and any other relevant supporting materials.

- 4) **Compensation Base and related assumptions** - It is critical that employer bargaining agents and PSEC Secretariat use the same compensation base information. Any changes to compensation data previously submitted to PSEC Secretariat should be discussed prior to bargaining.

Cost changes should be calculated assuming constant service volume and employee seniority (i.e., incremental costs assumed to be constant) unless specific changes in agreement language related to these issues will have cost impacts. Where the changes will have cost impacts, these impacts must be explained and included in the costing.

Where staffing levels are seasonal, the average wage calculation should be based on expected average staff levels throughout the year rather than the staff level at a particular point in time.

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Changes in the compensation base resulting from demographic changes should not be included in collective agreement costing, unless required as a result of negotiated changes to salary grids, etc.

5) Costing particular items:

- **Compensation Trade-offs** - Costing of proposed savings must use realistic and conservative assumptions. Costing should clearly identify these assumptions, the base data on which the savings are calculated, and an adequate explanation of how the savings will be generated, including proposed collective agreement language changes.

Costing of proposed offsetting expenditures must be clearly set out separately from proposed savings, applying the EGM 2010 Costing Principles.

- **Wage-Impacted Costs** – The settlement costs for each year of a proposed agreement include the impact of all wage and benefit changes on total labour costs. The effect of wage increases on statutory and non-statutory wage impacted benefits must also be included in costing. Examples of wage-impacted benefits include long-term disability benefits, pension plan premiums, and statutory benefit costs such as EI, CPP, and WCB coverage.
- **Lump-sum Payments** – lump sum or other one-time payment must be included in employer bargaining agent costing, but are not included in the compensation base as they do not increase on-going compensation costs.
- **Non-wage Impacted Benefits** – benefits that are not affected by changes to wages (e.g., MSP, dental, extended health benefit plan premiums) are assumed to remain constant for the purposes of costing, unless the language in the agreement changes the cost of the benefits.
- **Business Reimbursement** – employer bargaining agents may include or exclude proposed changes to business reimbursement allowances (e.g., meal and mileage allowances, safety equipment reimbursement) in costing, provided that the treatment of the changes is consistent with applicable provincial or federal legislation and standards, uses defensible assumptions (e.g., estimates of cost of living increases), and are likely to withstand public scrutiny. NOTE: See clarification notice “Reimbursable Expenses” e-mail of February 11, 2010 appended to the end of this document.
- **Goalsharing Payments** – any proposed payments for productivity gains must be included in employer bargaining agent costing. As well, cost savings must be assessed and approved by the PSEC Secretariat before any payments are made. Please see the “Goalsharing” discussion under the

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Financial Framework section of this Employer Guide to Mandate for more discussion regarding goalsharing plans.

- **Targeted Adjustments** –wage or benefit adjustments that are targeted at a particular group or subset of a bargaining unit (e.g., labour market adjustments targeted at particular occupations) must be identified and distinguished from general adjustments and costed separately. Targeted adjustments must be included in the compensation base and total costs.
- **Professional Development** - Professional development allowances are considered compensatory and must be included in costing where:
 - there is a fixed dollar allocation per employee or FTE;
 - the union or employee has a decision role in determining how the allowance is used; or
 - the allowance is not provided on the basis of reimbursement.

Professional development allowances are not considered compensatory and do not need to be included in costing where:

- the allowance is not allocated on a per employee basis;
- employers approve the purpose of the development activity; and
- the allowance is provided on a reimbursement basis.

NOTE: See clarification notice “Reimbursable Expenses” e-mail of February 11, 2010 appended to the end of this document.

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Appendix A - Reference Documents

The following reference documents are attached:

- PSEC Secretariat Staff Contact List
- Public sector collective agreement expiry calendar
- Members Only Website

CONFIDENTIAL

Public Sector Employers' Council Secretariat Staff Contact List

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CONFIDENTIAL

Expiries Report

As of November 3, 2009

NOTE: those in red have expired agreements and/or tentative settlements

Sector / Agreement(s)	Union(s)	Expired Agreements	2009	2010		2011		2012	2019
			Jul - Dec	Jan - Jun	Jul - Dec	Jan - Jun	Jul - Dec	Jan - Dec	Jan - Jun
EHSC: BC Ambulance Paramedics	CUPE	31-Mar-09							
BC Assessment	CUPE		31-Dec-09						
Health Sector: Community, Facilities, Hlth Science Professionals, Residents, Midwives, Osteopaths	Multiple			31-Mar-10					
Public Service: BCGEU, PEA, Salaries Physicians, EHSC Nurses Community Social Services: 1 multiple Employer plus 1 Community Living	BCGEU, PEA, PS Salaried Physicians, BCNU			31-Mar-10					
BC collective agreements	Multiple			31-Mar-10					
Crown Corporations: 7 with 11 agreements (BC Housing, BC Hydro, BC Pension, BC Transit, BCTC, LSS, Tourism BC)	Multiple			31-Mar-10					
Colleges and Institutes: 13 institutions with 20 Faculty, Faculty/Support and/or Vocational Faculty agreements	FPSE, BCGEU, OCFA, CUPE			31-Mar-10					
Colleges and Institutes: 5 Teaching Universities with 6 Faculty, Faculty/Support and/or Vocational Faculty agreements	FPSE, BCGEU, CUPE			31-Mar-10					
Universities: RRU & TRU with 3 Faculty and/or Tutor agreements	RRUFA, TRUFA, TRU-Tutors			31-Mar-10					
Universities: 4 universities with 9 Non Faculty Staff agreements	CUPE, UOE, Poly Party			31-Mar-10					
Crown Corporations: WorkSafe BC ¹	CEU			01-Apr-10		01-Apr-11		31-Mar-12	
Crown Corporations: WorkSafe BC Salaried Medical Advisors ²	BCMA			01-Apr-10		01-Apr-11		31-Mar-12	
Universities: SFU Teacher Support, UBC Childcare & UVIC Sessional Lecturer agreements	TSSU, BCGEU, CUPE			30-Apr-10					
Colleges and Institutes: CNC Support	PPWC Local 29				31-May-10				
Universities: RRU Facilities & Grounds Workers	CUPE local 3338				31-May-10				
Education (K-12): 60 school districts with 69 Support and 2 Professional Staff agreements	Multiple				30-Jun-10				
Universities: SFU, UBC, UNBC, UVIC Faculty agreements	Multiple				30-Jun-10				
Crown Corporations: BC Oil & Gas Commission, ICBC	BCGEU, PEA, COPE				30-Jun-10				
Universities: 4 universities with 5 Non Faculty Staff agreements	Multiple				30-Jun-10				
Colleges and Institutes: 9 institutions with 9 Support Staff agreements	Multiple				30-Jun-10				
Colleges and Institutes: 3 Teaching Universities with 3 Support Staff agreements	BCGEU, COPE, CUPE				30-Jun-10				
Colleges and Institutes: BCIT Faculty	BCITFSA				30-Jun-10				
Public Service: Queen's Printer	CEP				30-Jun-10				
Universities: 2 universities with 3 Non Faculty Staff agreements	CUPE					31-Aug-10			
Colleges and Institutes: Vancouver Community College Support Staff	CUPE Local 15					30-Sep-10			
Crown Corporations: Legal Services Society	PEA					30-Sep-10			
Crown Corporations: BC Transit	CUPE							31-Dec-10	
Public Service: Public Service Nurses	Nurses Bargaining Association							31-Dec-10	
Colleges and Institutes: Selkirk College Support Staff	PPWC Local 26							31-Dec-10	
Universities: UBC Aquatic Centre	CUPE locals 116 - Aquatic Centre							31-Dec-10	
Crown Counsel ³	BC Crown Counsel Association							31-Mar-11	31-Mar-19
Public Service: Judges & Judicial JPs	Judicial Compensation Commission							31-Mar-11	
Crown Corporations: BC Pavilion Corp	BCGEU							31-May-11	
Crown Corporations: BC Hydro Columbia Hydro Construction Ltd	Allied Hydro Council (AHC)							30-Jun-11	
Education (K-12): Teachers and 1 Professional Staff agreement	BCTF, VTF-Adult Ed							30-Jun-11	
Health Sector: Doctors and Nurses	NBA, BCMA								31-Mar-12
	Number of Collective Agreements by Calendar Year	1	1	172		5		4	1
	As a % of total agreements:	1%	1%	93%		3%		2%	1%

¹ Wage and benefit re-opener Apr 1 10 and Apr 1 11.

² Wage re-opener Apr 1 10. Actual expiry date: Mar 31 12

³ Either party may provide notice of intention to amend terms of agreement within 3 months of Mar 31 2011 & Mar 31 2015. Actual expiry date: Mar 31 19. Includes Public Service and BC Pension Corporation employees

PSEC Members Only Website

This website is a confidential web resource for public sector employers and Employers Associations. It provides links to the Employers' Guide to Mandate 2010, as well as the Labour Relations Reporting System (LRRS) which employer bargaining agents use to submit compensation, demographic, benefit and collective agreement costing surveys. The website also contains settlement summaries for ratified collective agreements.

Employer bargaining agents can gain access to the website by asking the PSEC Secretariat for a confidential user ID and password. Passwords do not expire and employer bargaining agents are responsible to ensure that confidentiality is maintained.

Website address: <https://pseclrrs.gov.bc.ca>
Login ID: provided by PSEC Secretariat
Password: provided by PSEC Secretariat

First time users will be asked to accept the Terms and Conditions for Access to the PSEC LRRS.

Employers Associations are free to request access for individual employers or alternatively, are free to copy Employers' Guide to Mandate 2010 and settlement summary materials for distribution in their sectors.

Questions should be directed to Rhonda Smith at (250) 356-0229 or by e-mail at Rhonda.M.Smith@gov.bc.ca

EMPLOYERS' GUIDE TO MANDATE 2010

Policy Clarification Notice: Reimbursable Expenses

From: Morel, David P PSEC:EX
Sent: Thursday, February 11, 2010 4:12 PM
To: 'blittler@tupc.bc.ca'; 'hughf@bcpsea.bc.ca'; 'John@psea.bc.ca'; 'Lee Doney (HEABC)'; 'Lorne Rieder'; 'Rick Connolly'; Caul, Doug D PSA:EX; Tarras, Lynda PSA:EX
Cc: Straszak, Paul PSEC:EX; Corwin, Lucas A PSEC:EX; Zacharuk, Christina PSEC:EX
Subject: Reimbursable Expenses

The purpose of this email is to provide clarification to the Employers Guide to Mandate 2010 (EGM 2010) with regard to reimbursable expenses, including professional development funds.

A number of questions have been raised about treatment of business reimbursement and professional development in costing. Page 24/25 of the EGM 2010 refers to business reimbursement and professional development as non-compensatory items, which do not need to be included in the costing of collective agreements.

While these items may not be considered compensatory by definition, any **negotiated changes** to these provisions must be paid for by equivalent off-setting savings in order to be consistent with the EGM 2010 principle that “no additional funding is available to fund any changes to collective agreements”. To be clear, administering existing provisions will **not** be included in the costing of collective agreements, only negotiated changes to these provisions.

We ask that you disseminate this information to your employers as necessary to ensure they are aware of the clarification when preparing their bargaining plans and strategies.

Please let us know if you have any questions or would like to discuss further.

David Morel
Assistant Deputy Minister
Labour Relations
Public Sector Employers' Council Secretariat

EMPLOYERS' GUIDE TO MANDATE 2010

Update Notice: Fiscal Dividend

From: Morel, David P PSEC:EX
Sent: Thursday, March 4, 2010 1:40 PM
To: 'hughf@bcpsea.bc.ca'; 'Lee Doney (HEABC)'; 'blittler@tupc.bc.ca'; 'John@psea.bc.ca'; 'Lorne Rieder'; Tarras, Lynda PSA:EX
Cc: Zacharuk, Christina PSEC:EX; Corwin, Lucas A PSEC:EX; Straszak, Paul PSEC:EX
Subject: Fiscal Dividend

Good Afternoon

As part of the 2006-2010 Negotiating Framework, a number of public sector employers negotiated provisions regarding the 2010 Fiscal Dividend into their collective agreements. The Negotiating Framework provided that the 2010 Fiscal Dividend would be paid to public sector employees from a one-time fund generated out of monies, in excess of \$150 million, surplus to the BC government, as defined in the Province's audited financial statements, for the fiscal year 2009/10.

A number of employers have requested formal notification regarding the 2010 Fiscal Dividend as they prepare to begin negotiations. While the final confirmation of the potential Dividend payment won't occur until the release of Public Accounts in June, the March 2, 2010, the Province's 2010/2011 Budget materials clearly identify a projected deficit for 2009/10. As such, indications are that there will not be a Dividend payment.

PSEC will provide employers with more formal notice and information on the Dividend once the Public Accounts are released.

Thanks,

David Morel
Assistant Deputy Minister
Labour Relations
Public Sector Employers' Council Secretariat

EMPLOYERS' GUIDE TO 2012 COOPERATIVE GAINS MANDATE

This document is strictly confidential and is to be used by employer bargaining agents to assist in preparation for collective bargaining.

December 2011

Employers' Guide to 2012 Cooperative Gains Mandate

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Employers' Guide to 2012 Cooperative Gains Mandate

EXECUTIVE SUMMARY

Purpose of the BC Public Sector Bargaining Mandate

The 2012 Cooperative Gains Mandate applies to all public sector employers whose collective agreements expire on or after December 31, 2011.

The Cooperative Gains Mandate provides public sector employers the ability to negotiate modest wage increases made possible by productivity increases within existing budgets.

Principles of Cooperative Gains Mandate

- The Province will not provide additional funding for increases to compensation negotiated in collective bargaining.
- Employers are directed to work with responsible ministries and employer bargaining agents to develop Savings Plans to free up funding from within existing budgets to provide modest compensation increases.
- Savings Plans can include savings resulting from operational cost reductions, increased efficiency, service redesign, increases in revenue, and other initiatives. Savings Plans can therefore propose savings that are much broader than under the previous "Net Zero" Mandate.
- Identified savings are to be used to fund compensation increases that will facilitate negotiated settlements with unions through collective bargaining.
- Identified savings must be real, measurable, and incremental to savings identified by employers to meet Provincial Budget and deficit reduction targets for 2012/13 and beyond.
- Employers and unions may also negotiate other savings at the bargaining table to supplement Savings Plans.
- Employers are not required to negotiate a target wage increase; however, increases are expected to be modest and employers must have an approved Bargaining Plan from government.
- Employers must seek agreements that are at least two years in length. There is no maximum term for collective agreements under the Cooperative Gains Mandate.
- Employers must not reduce service levels to the public in order to fund compensation increases.
- Employers must not transfer the costs of existing services to the public to pay for compensation increases.

The 2012 Cooperative Gains Mandate will be highly sector and employer dependent. Employers' Saving Plans and bargained results will be unique and differentiated between sectors, depending on a number of factors, including ability to generate savings and the willingness of unions to cooperate in bargaining.

Process

Prior to bargaining, employer bargaining agents and ministries will prepare Savings and Bargaining Plans for their sector. Employer bargaining agents must submit finalized Savings Plans and Bargaining Plans to their Ministers Responsible (Ministers) and the Public Sector Employers' Council Secretariat (the Secretariat) 30 days prior to the start of bargaining on substantive issues.

Ministers will ensure Savings and Bargaining Plans are supported by the Province.

Crowns and universities in the UPSEA sector will prepare organization-specific Savings and Bargaining Plans, rather than sectoral Plans.

Employers' Guide to 2012 Cooperative Gains Mandate

Once the Secretariat has confirmed that the Province has approved a Savings and Bargaining Plan, the employer bargaining agent can seek a negotiated settlement in line with the approved Plans.

How to use this Guide:

Every employer bargaining agent (either an employer association or individual public sector employer) must have a Provincially-approved Savings Plan and Bargaining Plan in place to govern its negotiations to renew an expired collective agreement. The Employers' Guide to the Cooperative Gains Mandate is designed to be a central reference document for employer bargaining agents to use in preparing Savings Plans and Bargaining Plans. The Guide contains descriptions of key components of the Mandate that will assist employer bargaining agents in preparing these Plans, and also sets out expectations that the Province has of employer bargaining agents.

Interpretation of this Guide:

The Employers' Guide to 2012 Cooperative Gains Mandate represents guidelines and strategic direction for public sector employers in British Columbia. In the event of a dispute, the Public Sector Employers' Council Secretariat reserves the right to be the sole body to interpret the Guide and the policies it contains.

Section 1

Background/Context

Employer bargaining agents are preparing for the 2012 round of negotiations during a time of global economic turmoil. Canada has fared better than most countries, but is not immune to world-wide problems. Economic growth is forecast to stagnate or increase very slowly. In British Columbia, as of the September 8, 2011 Quarterly Budget Update, the Province had forecast deficits of \$2.8 billion in 2011/12, \$805 million in 2012/13, and a \$458 million gap to balance the budget in fiscal 2013/14. On November 28, the Second Quarterly report revised that forecast to a deficit of \$3.1 billion in 2011/12 and indicated that the impact of this increase could carry forward to 2013/14 widening the forecast deficit gap beyond \$458 million.

An increase of 1% in total compensation for all unionized public sector employees costs the Province approximately \$192 million. If applied to non-union and management groups, this increases to \$229 million.

This is the context in which 86% of the public sector will begin bargaining in 2012, after two years of the 2010 Net Zero Mandate. All employers are trying to reduce costs and control spending. The Provincial fiscal plan does not include any additional funding to sectors for compensation increases. However, as referenced in the Throne Speech, employees and unions have expectations of being treated fairly.

Collective bargaining under the Mandate for 2012 will be challenging. By its nature, results are expected to produce highly differentiated and unique settlements between sectors and between employers in some sectors. Some employers will have greater difficulty in identifying savings to fund modest compensation increases. Close collaboration and integrated planning between Ministries, bargaining agents, and employers will be essential.

“Though taxpayer-funded public sector wage increases will be challenging to achieve, and must fit within the fiscal plan, your government understands that public servants need to be treated fairly.

This requires being creative in how resources are identified for any improvements in collective agreements.

Therefore, the government will facilitate a process for collective agreement improvements by working with ministries and employer groups to find savings through cooperative gains. The government will be asking public sector employers, unions and employees to join in this process.”

Speech from the Throne, October 3, 2011

The 2012 Cooperative Gains Mandate is the direction that the Province is providing to all public sector employers in British Columbia to renew collective agreements in this context.

Section 2

Principles of 2012 Cooperative Gains Mandate (Mandate 2012)

Mandate 2012 applies to all public sector employers whose collective agreements expire on or after December 31, 2011. It applies to agreements with unionized employees and to compensation plans with non-unionized employees. A separate Employer Guide to Mandate is available covering non-unionized employees.

The Cooperative Gains Mandate is intended to protect the Province's Fiscal Plan, while increasing employers' flexibility in funding wage increases, and assisting them in reaching voluntarily negotiated collective agreements.

Principles of Mandate 2012

- The Province will not provide additional funding for increases to compensation negotiated in collective bargaining.
- Employers are directed to work with responsible ministries and employer bargaining agents to develop Savings Plans to free up funding from within existing budgets to provide modest compensation increases.
- Savings Plans can include savings resulting from operational cost reductions, increased efficiency, service redesign, increases in revenue, and other initiatives. Savings Plans can therefore propose savings that are much broader than under the previous "Net Zero" Mandate.
- Identified savings are to be used to fund compensation increases that will facilitate negotiated settlements with unions through collective bargaining.
- Identified savings must be real, measurable, and incremental to savings identified by employers to meet Provincial Budget and deficit reduction targets for 2012/13 and beyond.
- Employers and unions may also negotiate other savings at the bargaining table to supplement Savings Plans.
- Employers are not required to negotiate a target wage increase; however, increases are expected to be modest and employers must have an approved Bargaining Plan from government.
- Employers must seek agreements that are at least two years in length. There is no maximum term for collective agreements under the Cooperative Gains Mandate.
- Employers must not reduce service levels to the public in order to fund compensation increases.
- Employers must not transfer the costs of existing services to the public to pay for compensation increases.

The 2012 Cooperative Gains Mandate will be highly sector and employer dependent. Employers' Saving Plans and bargained results will be unique and differentiated between sectors and potentially between employers in some sectors, depending on a number of factors, including ability to generate savings and the willingness of unions to cooperate in bargaining.

Every employer bargaining agent (either an employer association or individual public sector employer) must have a Provincially-approved Savings Plan and Bargaining Plan in place to govern its negotiations to renew an expired collective agreement.

Section 3

Savings Plan and Bargaining Plan Development & Approval Process

The following is a description of the steps for employer bargaining agents to follow during the period of collective bargaining covered by Mandate 2012. These steps are meant to ensure that an employer bargaining agent has a clear mandate from the Province to bargain and conclude a collective agreement, and that a settlement supports the organizations' approved policy direction and service delivery priorities.

A. Overview

Employer bargaining agents in the social services, health, post-secondary, public education, and public service sectors, along with ministries responsible, must prepare Savings and Bargaining Plans for their sector, and provide those plans to the Minister responsible for the sector and to the Public Sector Employers' Council Secretariat 30 days prior to the start of bargaining on substantive issues.

Crowns and Universities in the UPSEA sector are to prepare organization-specific Savings and Bargaining Plans, rather than sectoral Plans.

Savings Plans identify how a sector (or an individual crown or university) will generate savings to fund possible compensation increases. Bargaining Plans identify how the sectoral employer bargaining agent (or individual crown or university) proposes to apply those savings in bargaining and how it proposes to reach a settled collective agreement. Savings Plans and Bargaining Plans can be combined into one document.

Once the Secretariat has confirmed with the employer bargaining agent that the Province has approved its Savings and Bargaining Plans, the agent can seek a negotiated settlement consistent with the Plans in collective bargaining.

B. Savings Plans

The Savings Plan is a new concept and is unique to the Cooperative Gains Mandate. The purpose of a Savings Plan is to identify sources of funding from within the existing budgetary envelope that employer bargaining agents can then use in bargaining.

Savings Plans are to be developed by Ministries, employer bargaining agents and employers, in close cooperation. Active involvement of Ministries in developing Savings Plans is essential as there should be effective alignment of Ministry policy with the Savings Plan. Ministries are also uniquely placed to assist in identifying and driving sectoral savings. Employers play a central role in the development of Savings Plans as they are best placed to assess the operational feasibility of possible savings initiatives, and will be responsible for implementing the initiatives.

Ministries will be responsible for ensuring the accuracy, commitment and ability to track savings in Savings Plans and that bargaining strategies align with the Province policy goals.

In order to be successful, the Cooperative Gains Mandate allows for significant differentiation between sectors and some employers to account for differences in opportunities to find savings. As a result, Savings Plans will be specific to each sector (and to each crown agency and university).

The intent of the 2012 Cooperative Gains Mandate is that employer bargaining agents and Ministries will work to find savings that can be used to fund compensation increases. During collective bargaining,

Employers' Guide to 2012 Cooperative Gains Mandate

unions will have the opportunity to propose other initiatives or cooperative opportunities to find savings to fund compensation increases.

PLEASE NOTE that initiatives in Savings Plans used to fund compensation increases do not need to be related to collective agreement provisions. This is one of the key differences between the Cooperative Gains Mandate and the previous “net zero” mandate.

Savings Plan Elements

Savings Plans must detail the initiatives that an employer bargaining agent, employers, and the responsible Ministry propose to generate savings that the employer bargaining agent will use in negotiations. Employers may also propose collective agreement changes to fund savings (i.e., “net zero” changes), and may choose to include these in either a Savings Plan or Bargaining Plan.

Sources of savings can include, but are not limited to:

- Service redesign (e.g., new service-delivery models),
- Cost reduction initiatives (e.g., shared services, consolidating of capital leases),
- Increased efficiency in delivery of existing services,
- Standardizing to best practices across a sector or within an employer, and
- Increasing revenues (but without transferring costs of existing services to the public).

Sources of savings to fund compensation increases must not include:

- Reductions in services available to the public,
- Measures that transfer the costs of existing services to the public, or
- Measures that are already accounted for in cost reduction initiatives related to the achievement of Provincial Budget targets.

C. Bargaining Plans

The Bargaining Plan has been a feature of BC public sector bargaining mandates for a number of rounds of negotiations. The purpose of a Bargaining Plan is to identify how an employer bargaining agent proposes to reach a voluntarily-negotiated settlement with a union. In the context of the Cooperative Gains Mandate, the Bargaining Plan will also identify how an employer bargaining agent proposes to use savings identified in a Savings Plan in bargaining.

Bargaining Plans are to be developed by Ministries, employer bargaining agents and employers, in close cooperation. Active involvement of Ministries in developing Bargaining Plans is essential as there should be effective alignment of Ministry policy with the Bargaining Plan. Active involvement of employers will ensure that employer operational issues or priorities are addressed in the Plan.

Bargaining Plan Elements

Bargaining Plans must summarize the employer bargaining agent's plans for reaching a negotiated agreement under the Province's 2012 Mandate. A complete Bargaining Plan must describe the proposals the bargaining agent intends to table in bargaining, including:

- Any compensation proposals, such as changes to wages, benefits or pensions; goal/gainsharing plans; proposals that may generate savings at the table; separation incentives, or any other proposal that may have an effect on the employer's or sector's compensation base

Employers' Guide to 2012 Cooperative Gains Mandate

- Any proposals regarding material changes to management rights (regardless of whether the change has cost implications)
- Employment security proposals
- Proposals for third party dispute resolution
- Proposals for changes to paid hours of work

Sections 4 and 5 in this Guide describe in more detail some of the principles employer bargaining agents should consider in developing proposals on the above items.

Bargaining Plans must also include:

- Preliminary costing of proposed trade-offs – in the template agreed to by the employer bargaining agent and the Secretariat (see Section 7)
- A high-level communications plan (see Section 8)
- Any other relevant contextual information

Bargaining Plans must also outline key elements of the bargaining strategy, including the following:

- A description of any non-monetary items that can be used as incentives at the bargaining table, for example, language relating to employment security, workload or working conditions.
- An outline of what collective agreement changes the employer bargaining agent intends to secure in exchange for improvements offered to a union. For example, in exchange for 1% wage increase paid for by employer savings, an employer bargaining agent may require that a union find an additional 1% savings from within the collective agreement.

D. Savings Plan and Bargaining Plan Review & Approval

Prior to engaging in collective bargaining on substantive issues, employer bargaining agents must obtain approval to bargain from the Province. Employer bargaining agents obtain this approval by preparing Savings and Bargaining Plans for approval by the Province.

Employer bargaining agents must submit finalized Savings Plans and Bargaining Plans to the Minister responsible for the employer or sector and the PSEC Secretariat **30 days prior to the commencement of bargaining on substantive issues**. "Bargaining on substantive issues" is that point in negotiations when an employer bargaining agent begins discussing monetary items or issues of importance to the Ministry responsible and the employers. Savings Plans may be very complex to develop and must be developed by employers with ministries. As a result, this will mean that employer bargaining agents, employers and ministries will need to coordinate in developing plans much earlier in advance of bargaining.

The Secretariat will coordinate the review and approval of Savings and Bargaining Plans by the Province, and will make every effort to facilitate their consideration and approval in a timely manner, assuming that employer bargaining agents provide their requests to the Minister responsible and the Secretariat sufficiently in advance. This process will include:

- Review and approval of Savings Plans through government's Savings Review Process. This process is in place to ensure employers' Savings Plans contain real and measureable initiatives that create incremental savings to balance costs in a proposed Bargaining Plan, and that will not fund compensation increases through a decrease in services or transfer the cost of existing services to the public.

Employers' Guide to 2012 Cooperative Gains Mandate

- Review and approval by Ministers responsible for the employer or sector. Ministers will be responsible for ensuring that Savings Plans and Bargaining Plans align with the Province's policy and budgetary goals.

Once the Secretariat has confirmed that the Province has approved a Savings Plan and Bargaining Plan, the employer bargaining agent can seek a negotiated settlement in line with the approved Plans.

E. Requests for Changes to Plans during Bargaining

If, during bargaining, an employer bargaining agent determines that it needs to make changes to an approved Savings or Bargaining Plan, it must return to the Ministry responsible and the Secretariat for review and approval of those amendments.

The Secretariat will coordinate the review and approval of requests for changes to a Savings or Bargaining Plan. The Secretariat will make every effort to facilitate consideration and approval of changes in a manner that does not interfere with bargaining.

F. Communication and Coordination during Bargaining

Employer bargaining agents must maintain regular contact with the Secretariat over the course of negotiations so that the Secretariat can be in a position to respond quickly to issues and questions raised by employers and responsible Ministries. This includes regular communication and sharing of bargaining proposals during bargaining. This will help to ensure that employer bargaining agents are not delayed in their negotiations or prevented from responding to emergent issues.

Employer bargaining agents are encouraged to use electronic tools, such as Sharepoint sites, in order to share bargaining materials with the Secretariat and other relevant stakeholders. These tools were used to great effect in the 2010 round of negotiations.

Please Note that the costing of compensation-related elements must be prepared according to the key principles in section (7) and submitted to the Secretariat in advance of discussion at the bargaining table, and using a costing template agreed to by the employer bargaining agent and the Secretariat.

G. Final Offer Approval

Employer bargaining agents must provide a proposed Final Offer for settlement to the Secretariat before tabling in bargaining with a union bargaining agent.

If a Final Offer is consistent with an approved Savings Plan and Bargaining Plan, and the employer bargaining agent has been updating the Secretariat regularly on the progress of negotiations, the Secretariat should be able to provide approval quickly.

Where a proposed Final Offer is different from an approved Savings Plan or Bargaining Plan, the Secretariat will coordinate the review of the required amendments to the Plans. The Secretariat will make every effort to facilitate consideration and approval of changes in a manner that does not interfere with bargaining.

H. Conclusion of Bargaining and Employer Ratification

After receiving confirmation from the Secretariat that the Province has approved a Final Offer, an employer bargaining agent may conclude bargaining and enter into tentative settlements on the basis of the Final Offer approved by the Province. Employer bargaining agents must keep the Secretariat informed of the progress of employer and employee bargaining agent ratification processes.

Section 4

Total Compensation Proposals

Overview

Under the Cooperative Gains Mandate employer bargaining agents may negotiate increases in total compensation through collective bargaining, provided those increases are offset by equivalent savings identified in an approved Savings Plan, or by savings generated by changes to a collective agreement.

The Province will not fund any net increases in total compensation.

Employer bargaining agents must also ensure that any changes in total compensation are aligned with Ministry service delivery objectives.

Principles to use in developing Total Compensation proposals:

- No additional funding is available to fund any changes to collective agreements.
- Increases in total compensation must be offset by demonstrable and achieved savings. Savings may be identified in a Savings Plan, or achieved through changes to a collective agreement negotiated during collective bargaining.
- Ongoing compensation increases must be funded by equivalent ongoing savings, including periods beyond the term of the collective agreement. One-time or time-bound compensation increases can be funded by equivalent one-time or time-bound savings.
- In order to ensure that increases in total compensation do not result in unanticipated net cost increases, both the proposed compensation increases and the equivalent, offsetting savings must occur in the same budget year.
- Savings proposals must be supported by the best possible evidence available.
- Employers will find detailed information for costing Total Compensation proposals in the **Collective Agreement Costing (7)** section of this Guide.

Specific considerations related to Total Compensation proposals:

WAGES

- Employer bargaining agents are not required to negotiate a target wage increase; however, increases are expected to be modest and employers must have an approved Bargaining Plan from government.
- Employer bargaining agents are encouraged to negotiate differentiated increases for different occupations, targeting increases to those occupations where employers are experiencing recruitment and retention issues.

BENEFITS

- Before contemplating benefit enhancements, employers are encouraged to first consider options to control or cap future growth in benefit costs. As well, employers are encouraged to take steps to:
 - raise employee awareness of rising benefit costs;

Employers' Guide to 2012 Cooperative Gains Mandate

- work jointly with unions to address absence and disability management;
- explore other initiatives which support sustainable benefit levels such as joint early intervention programs.
- Where projected increases in the cost of providing a benefit package can be contained through restructuring of the package or capping benefits, projected savings or a portion of projected savings can be redistributed within the total compensation package.
- Where benefit costs or savings are calculated with reference to utilization rates, historical utilization rates over at least the previous four (4) years must be used. Historical patterns will be acceptable, provided that the employer and the Secretariat agree that these rates are not likely to change over the term of the collective agreement. This may also require validation by the third-party benefit provider.

REIMBURSEMENT OF EXPENSES

- While business reimbursement and professional development items may not be considered compensatory by definition, any negotiated changes to these provisions must be off-set by equivalent savings in order to be consistent with the Mandate principles that no additional funding is available to fund any changes to collective agreements, and that any negotiated increases must be funded from within existing budgets.
- Employer bargaining agents must include proposed changes to business reimbursement allowances (e.g., meal and mileage allowances, safety equipment reimbursement) and professional development in costing.
- The administration of existing provisions relating to business reimbursement and professional development does not need to be included in the costing of collective agreements.

GOALSHARING/GAINSHARING

Goalsharing (or gainsharing) is a management-driven approach to providing incentives for productivity gains by sharing economic benefits across an organization after a collective agreement is settled.

Proposed Goalsharing programs must meet the following criteria:

- Goalsharing programs should be considered in a broad organizational context so that improvements in one area do not detract from service delivery objectives and overall organizational performance (i.e. they should not negatively impact areas such as quality, safety, or financial performance).
- The proportion shared and the overall quantum paid to employees needs to be based on a sound analysis of the impact on services.
- Goalsharing initiatives must measure performance against valid baselines or targets and distribute gains in accordance with an agreed upon formula.
- Any payout must be based upon realized, tangible and measurable gains. The payout must be funded out of savings generated by the gains and require no new funds from the employer, and must respect annual budget parameters.

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- Metrics used to measure productivity and determine payouts should be aligned with responsible Ministry and organizational objectives.
- Goalsharing payments must be in the form of re-earnable lump sum payments.
- Employers must work with the Secretariat at the following points for approval of metrics and calculations:
 - the beginning of each year of the plan - i.e., when valid base lines and targets are established for the year; and,
 - the end of each year of the plan - i.e., when the determination is made about whether a payout is warranted based upon realized, tangible and measurable gains.
- The following are examples of some goalsharing programs in place in the BC public sector:
 - An annual lump sum payment based on a formula related to reductions in absenteeism flowing from a Joint Early Intervention Plan.
 - A annual lump sum payment of up to 2% of wages based on the employer meeting targets established by the Board of Directors in two areas:
 - Payments of up to 1% of wages based on costs avoided through improvements in voluntary return-to-work outcomes and timeliness or improvements in the serious injury rate, measured by comparison of actual results vs. target results; and
 - Additional goalsharing payment of up to 1% of salary based on achievement of targets set for a customer service index based on key measurements.

PENSIONS

- Employer contributions to an employees' pension plan are a part of an employee's total compensation.
- Whether an employer belongs to a public or private pension plan, savings and expenses related to pension plans can be part of compensation trade-offs. Conversely, any improvements to pension plans that result in additional costs to an employer must be funded by offsetting savings.
- The negotiation of changes to public sector pension plans involves parties other than the employer and union involved in collective bargaining. This makes the discussion of pensions difficult in the context of collective bargaining.
- There are also practical difficulties for parties to a collective agreement to discuss or negotiate pension benefits. For example, public sector pension plans span multiple employers. Conversely, some bargaining units in the post-secondary sector span at least two different pension plans.
- Furthermore, the four public sector pension plans are directed by boards of trustees who must be consulted and, eventually, agree to any changes affecting the pension plans. Any tentative agreement between an employer and union relating to pensions would need to clearly state that provisions related to these plans are subject to that approval.
- Last, for legislative reasons, discussions related to these pension plans may have to occur at separate pension plan partner tables, and away from the bargaining table.

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- Early consultation with the Secretariat is therefore appropriate if any public sector pension plan changes are contemplated in bargaining.
- The following is a list of some pension provisions that can be negotiated at the collective bargaining table:
 - To be brought into one of the public sector pension plans;
 - To have earlier enrolment than provided for in the *Pension Benefits Standards Act* or the plan rules;
 - To include part-time, casual, or temporary employees in mandatory or optional enrolment;
 - To make long term disability plans eligible under the plan rules;
 - To enter into special agreements (group defined contribution plan, tax free savings account, or RRSP); and
 - To negotiate funding for post retirement group benefits not covered by the pension plan.

EXTINGUISHING LIABILITIES

- Cost savings can be generated by extinguishing demonstrable legal liabilities that flow from collective agreement provisions, or by eliminating liabilities as defined in the Canadian Institute of Chartered Accountant Handbook.
- Savings from extinguishing liabilities will be recognized only for the amount the employer would have booked or expended for that liability during the period of the collective agreement.
- Employers may need to provide actuarial valuations in order to support a proposal. Employers may also be required to obtain and share legal advice with the Secretariat to support their proposals.
- Examples of where employers may be able to generate savings from extinguishing liabilities include:
 - Reducing leave banks,
 - Settling a grievance with a high probability of loss.

Section 5

Key Policies

The following are non-monetary issues that may arise in preparation for or during collective bargaining for which the Province has developed specific policies applicable to employer bargaining agents.

MANAGEMENT RIGHTS

- Employers must not surrender existing “material” management rights in collective bargaining. Material management rights are those rights that if negotiated away would have a negative impact on the employer’s ability to deliver services effectively and efficiently.
- Examples of material management rights include the right to set staffing levels, scheduling, promotion, contracting out, or any other significant aspects of directing the workforce.
- Any questions regarding management rights and bargaining should be discussed with the Secretariat prior to bargaining.

EMPLOYMENT SECURITY

- Employers may only develop proposals for employment security provisions if they do not impede policy or service delivery objectives.
- Employment security provisions must be event-specific or time-bound and provide a specific expiry date.
- Examples of employment security provisions that may be considered include time-limited provisions negotiated to aid an employer through a business model change.
- If considering employment security provisions, employers should consult with the Province to ensure alignment with responsible Ministry and Provincial budgetary targets.

SEPARATION INCENTIVES

- Employers may develop proposals for separation incentives that facilitate workforce adjustment (e.g., Early Retirement Incentive Plans), provided that these proposals facilitate service delivery objectives.
- Proposals for workforce adjustment programs must meet the following criteria:
 - the program must be cost-neutral over a defined period, or paid for by offsetting savings;
 - the program must result in an overall reduction in compensation costs and FTE levels;
 - the program must not result in a reduction of services delivered unless specifically approved by government;
 - the program must be consistent with the policy priorities of the employer’s funding Ministry and broader Provincial policy priorities;
 - any immediate costs incurred by the program must be reasonable relative to annual budgets; and

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- the program must not exacerbate or create any future labour market shortages.

BINDING INTEREST ARBITRATION

- Binding interest arbitration delegates to a third party or parties the power to resolve an impasse in bargaining over elements of a collective agreement.
- Employers are not permitted to agree to new binding interest arbitration provisions either in the form of permanent collective agreement language or in the context of dispute resolution for a collective bargaining impasse.

“ME TOO” PROVISIONS

- The use of new “me too” provisions is discouraged and employer bargaining agents must seek approval from the Province if they wish to discuss these provisions in bargaining. In specific circumstances where there are virtually identical collective agreements, “me too” provisions may be permissible provided they will not result in any unfunded compensation increases or net increases in costs to the employer or the Province.

COMMITTEES

- Collective agreements often provide for multiple employer/union committees to handle ongoing work associated with the administration of a collective agreement.
- When negotiating the establishment of new committees, or changing existing committees, employer bargaining agents must ensure that each party to a committee will bear the costs of their participation in the committee.

POLICY TABLES

- Employer bargaining agents, unions, government and other stakeholders may engage in “policy table” discussions as a means to address interests held in common by the parties outside of the collective bargaining process.
- Policy tables are an appropriate means to address issues that cannot be addressed through collective bargaining or are better dealt with outside the collective bargaining process. Issues related to government’s broader policy direction for a given sector (e.g. scope of practice in the health sector, etc.) can be ill-suited to the context of collective bargaining, so policy tables may prove a more appropriate forum for problem solving and resolution.
- Government supports and encourages the use of “policy tables” as a method of addressing fundamental issues that affect workplace conditions.
- Policy tables will normally involve not only parties to the direct collective bargaining relationship but also parties outside that relationship, and must include representatives from the major stakeholders in the relationship. Ministry participation in policy table discussions is particularly important as issues being discussed will often have important implications on service delivery or Ministry policy.
- Agenda at policy tables will focus on issues that cannot be addressed through collective bargaining alone. Issues that are properly and more effectively addressed through collective bargaining should not be part of policy table discussions.

Section 6

Savings Plan Costing

The Savings Plan is a new concept and is unique to the Cooperative Gains Mandate. The purpose of a Savings Plan is to identify sources of funding from within an existing budgetary envelope that employer bargaining agents can then use in bargaining.

The following are key principles that must be used in developing Savings Plans proposals, and must be reflected in the costing of proposals:

- Savings must be real and measurable,
- Savings must be incremental to savings required to meet Provincial budget and Fiscal Plan deficit reduction targets,
- Savings must not be generated by transferring the costs of existing services to the public, and
- Savings for compensation increases must not be generated by reducing service levels to the public.

Savings Plans must detail each initiative that is intended to achieve savings, and include the following information for each initiative:

- estimated savings/savings targets,
- specific assumptions underpinning those savings estimates,
- timing for when savings are expected to accrue,
- estimated quantum of savings annually and over the life of the agreement, and
- specific accountability/performance measures for determining whether savings have actually been achieved.

More detail on the costing of Savings Plans will be available in early 2012.

Section 7

Collective Agreement Costing

Overview

- Employer bargaining agents must provide clear and accurate costing of all compensation-related elements in their Bargaining Plans, changes to those Plans that arise during bargaining, and Final Offers.
- Costing of compensation-related elements must be prepared according to key principles in this section and submitted to the Secretariat in advance of discussion at the bargaining table, and using a costing template agreed to by the employer bargaining agent and the Secretariat.

Purpose of Costing

- Clear and accurate costing allows the Province to make informed decisions in approving Bargaining Plans, changes to those Plans, and in approving Final Offers.
- Costing allows the Province to identify all potential financial implications that may flow from collective bargaining.
- A complete costing plan will:
 - Describe the desired outcome or effect; explain how a change in conditions will create savings and for how long and who is affected;
 - Describe the methodology of calculations used and the logic behind them e.g., the assumptions and the variables; and
 - Show the data used to come up with the final costs, how those costs project for the remainder of the proposed agreement and the historical data used as a basis for the calculation.

Where appropriate, third-party validation is required (e.g. changes to benefits).

Process

- Consistent with the general Savings and Bargaining Plan approval process described in this Guide, employer bargaining agents must provide clear and detailed costing to the Secretariat of any compensation-related items in a proposed Bargaining Plan, during bargaining as items arise, in a request for amendments to an approved Plan, and in a Final Offer that differs from an approved Plan.
- Costing details must be provided to the Secretariat in advance of the proposed item being tabled during collective bargaining. The Secretariat will make every effort to facilitate consideration and approval of the proposed item in a timely manner, assuming that employer bargaining agents provide their requests to the Secretariat sufficiently in advance of the proposed item being discussed in bargaining.
- Costing must note all costs and savings associated with a Bargaining Plan or Final Offer, and describe the underlying assumptions for each proposed compensation-related item.

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- Costing of compensation-related items must be prepared according to the key principles stated below, and submitted to the Secretariat using the costing template agreed to by the employer bargaining agent and the Secretariat.
- After the conclusion of bargaining, employer bargaining agents must also provide the Secretariat with a Memorandum of Settlement, clearly indicating all changes to the agreement (i.e. either a side-by-side comparison or a "track changes" document), and all supporting costing documents.

Definitions

- **Total Labour Cost:** all wage or salary payments, plus wage-impacted and non-wage-impacted benefits, for a given bargaining unit. Total Labour Costs include basic pay, incentive payments, paid time off, allowances, premiums, and employer contributions to pensions and health and welfare benefits for regular, auxiliary or casual work. Total Labour Costs also encompass "backfill" wages and benefit costs for absent employees as well as non-negotiable statutory payments such as CPP, EI, and WCB.
- **End Cost:** the "annualized" cost of all changes to the collective agreement over the term of that agreement. For example, a 2% benefit decrease and a 2% wage increase has an end cost of 0%.
- **Actual Cost:** the cost of a change to the collective agreement from the effective date through to the end of the collective agreement year in which it came into effect. For example, a 2% wage increase effective in the middle of the first year of an agreement would have an "Actual Cost" of 1%.
- **Incremental Cost:** the additional or incremental cost that arises as a result of a change to a collective agreement. Costs in each collective agreement year are determined on the basis of change to the total labour cost compensation base at the beginning of that collective agreement year relative to the end of that year.

Key Costing Principles

Employer bargaining agents must apply the following principles in preparing costing:

- 1) **Consistency** – Costing must be provided to the Secretariat in the format agreed to by the employer bargaining agent and the Secretariat, and must show:
 - end costs;
 - actual costs; and,
 - incremental costs in each year of the proposed settlement.

- 2) **Transparency** – Costing must capture all changes to Total Labour Cost that arise out of a settlement (on an End Cost and Actual Cost basis).

Employer bargaining agents must identify any changes to a collective agreement that may have cost impacts following the expiry of the agreement, and must estimate and include those costs in its costing.

All settlement changes that may have cost implications but are not included in a formal costing must be noted with a brief explanation.

- 3) **Open Communication before, during and after Bargaining** – Employer bargaining agents must provide clear and detailed costing to the Secretariat of any compensation-related items in a

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proposed Bargaining Plan, during bargaining as items arise, in a request for amendments to an approved Plan, and in a Final Offer that differs from an approved Plan.

Costing must be provided to the Secretariat in advance of the proposed item being tabled during collective bargaining.

At the conclusion of bargaining, employer bargaining agents must prepare a Memorandum of Agreement, clearly delineating all changes from the preceding agreement (e.g., using "track changes"), and provide the Memorandum to the Secretariat along with final costing and any other relevant supporting materials.

- 4) **Compensation Base and related assumptions** - It is critical that employer bargaining agents and the Secretariat use the same compensation base information. Any changes to compensation data previously submitted to the Secretariat should be discussed prior to bargaining.

Cost changes should be calculated assuming constant service volume and employee seniority (i.e., incremental costs assumed to be constant) unless specific changes in agreement language related to these issues will have cost impacts. Where the changes will have cost impacts, these impacts must be explained and included in the costing.

Where staffing levels are seasonal, the average wage calculation should be based on expected average staff levels throughout the year rather than the staff level at a particular point in time.

Changes in the compensation base resulting from demographic changes should not be included in collective agreement costing, unless required as a result of negotiated changes to salary grids, etc.

- 5) **Materiality** – Employer bargaining agents must provide costing of all proposed changes to a collective agreement. However, changes which *in the aggregate* result in costs of less than \$250,000 or 0.01% of an employer's Total Labour Costs, whichever is less, do not need to be included in costing. Employers must identify these items to the Secretariat during bargaining and in advance of a Final Offer. Note that the employer will still bear any increase in costs from a non-material change.

Costing particular items:

- **Compensation Trade-offs** – Costing of proposed savings must use realistic and conservative assumptions. Costing should clearly identify these assumptions, the base data on which the savings are calculated, and an adequate explanation of how the savings will be generated, including proposed collective agreement language changes.

Costing of proposed offsetting expenditures must be clearly set out separately from proposed savings, applying the EGM 2012 Costing Principles.

- **Wage-Impacted Costs** – The settlement costs for each year of a proposed agreement include the impact of all wage and benefit changes on total labour costs. The effect of wage increases on statutory and non-statutory wage impacted benefits must also be included in costing. Examples of wage-impacted benefits include long-term disability benefits, pension plan premiums, and statutory benefit costs such as EI, CPP, and WCB coverage.
- **Lump-sum Payments** – Lump sum or other one-time payment must be included in employer bargaining agent costing, but are not included in the on-going compensation base as they do not increase on-going compensation costs.

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- **Non-wage Impacted Benefits** – Benefits that are not affected by changes to wages (e.g., MSP, dental, extended health benefit plan premiums) are assumed to remain constant for the purposes of costing, unless the language in the agreement changes the cost of the benefits.
- **Business Reimbursement** – Employer bargaining agents must include proposed changes to business reimbursement allowances (e.g., meal and mileage allowances, safety equipment reimbursement) in costing.
- **Goalsharing/ Gainsharing Payments** – Any proposed payments for productivity gains must be included in employer bargaining agent costing. As well, cost savings must be assessed and approved by the Secretariat before any payments are made. Please see the Goalsharing discussion under the Changes in Total Compensation section of this Guide for more information.
- **Targeted Adjustments** – Wage or benefit adjustments that are targeted at a particular group or subset of a bargaining unit (e.g., labour market adjustments targeted at particular occupations) must be identified and distinguished from general adjustments and costed separately. Targeted adjustments must be included in the compensation base and total costs.
- **Professional Development** – Professional development allowances are considered compensatory and must be included in costing where:
 - there is a fixed dollar allocation per employee or FTE;
 - the union or employee has a decision or role in determining how the allowance is used; or
 - the allowance is not provided on the basis of reimbursement.

Professional development allowances are not considered compensatory and do not need to be included in costing where:

- the allowance is not allocated on a per employee basis;
- employers approve the purpose of the development activity; and
- the allowance is provided on a reimbursement basis.

Section 8

Communications

Alignment and Coordination of Communications

As always in collective bargaining, public communications are critical to achieving negotiated agreements. The Cooperative Gains Mandate presents unique challenges in communicating the different settlements that are expected under the mandate. Therefore, it will be critical for government, employers and employer bargaining agents to closely coordinate and plan external communications.

Employer bargaining agents must include communication plans in their Bargaining Plans. Communications plans should include a strategy that outlines the following:

- a primary (and backup) spokesperson who can speak publicly and respond to media inquiries;
- roles and responsibilities for communications in the lead up to bargaining, during bargaining, during disputes, and after bargaining has concluded;
- main messages that are critical to the employer's bargaining strategy;
- key messages that are aligned with the sector and with government;
- a process to keep spokespersons well-informed, and
- a description of other relevant communications matters, such as use of social media, issues or challenges and the plan for how they will be managed.

A communications plan template is available by contacting the Secretariat.

Communications plans and messaging may change throughout bargaining; employers and/or employer bargaining agents should work closely with Ministries and the Secretariat to ensure ongoing coordination.

Section 9

Frequently Asked Questions

- 1. How is the Cooperative Gains Mandate different from a Net Zero Mandate?**
 - Under 2010 Net Zero Mandate, negotiators were seeking to move money from one part of the collective agreement to another — any improvements in the collective agreements had to be offset by savings in other compensation areas.
 - In the 2012 Cooperative Gains Mandate, cost savings achieved outside of the collective agreement can also be applied to contract improvements. For instance, employers will be looking for changes in how work is performed, efficiencies, productivities, cost reductions, or new revenues that will support compensation increases without additional government funding.
 - Collective agreement improvements are not limited to wage increases, but could also include job security provisions, benefits plan changes or other improvements that are attractive to employees.

- 2. What is the goal of the Cooperative Gains Mandate?**
 - The Cooperative Gains Mandate is intended to increase employers' flexibility in funding wage increases, and to facilitate voluntarily negotiated collective agreements, while protecting the Province's Budget and Fiscal Plan and services to the public.

- 3. What are the principles of the Cooperative Gains Mandate?**
 - The Province will not provide additional funding for increases to compensation negotiated in collective bargaining.
 - Employers are directed to work with responsible ministries and employer bargaining agents to develop Savings Plans to free up funding from within existing budgets to provide modest compensation increases.
 - Savings Plans can include savings resulting from operational cost reductions, increased efficiency, service redesign, increases in revenue, and other initiatives. Savings Plans can therefore propose savings that are much broader than under the previous "Net Zero" Mandate.
 - Identified savings are to be used to fund compensation increases that will facilitate negotiated settlements with unions through collective bargaining.
 - Identified savings must be real, measurable, and incremental to savings identified by employers to meet Provincial Budget and deficit reduction targets for 2012/13 and beyond.
 - Employers and unions may also negotiate other savings at the bargaining table to supplement Savings Plans.
 - Employers are not required to negotiate a target wage increase; however, increases are expected to be modest and employers must have an approved Bargaining Plan from government.

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- Employers must seek agreements that are at least two years in length. There is no maximum term for collective agreements under the Cooperative Gains Mandate.
 - Employers must not reduce service levels to the public in order to fund compensation increases.
 - Employers must not transfer the costs of existing services to the public to pay for compensation increases.
- 4. Are the gains found by employers being applied to government's deficit first and then to pay increases in collective agreements?**
- The Province's chief priority remains unchanged - to balance the budget. The Province acknowledges that finances are in a fragile state due to world-wide uncertainty.
 - The Province is asking employers to both meet budget targets and find savings to fund modest wage increases.
 - The Province's regular budget cycle is underway which includes targets that must be met by ministries and public sector employers to eliminate the Provincial deficit.
 - Separate from and in addition to this budget cycle process, ministries and employers will work together to identify additional, incremental efficiencies, cost saving measures, and other initiatives that can fund collective agreement improvements.
 - Identified cost savings must be real and must not result in reductions in services to the public or transfer the costs of existing services to the public.
- 5. What is the process for negotiating under the Cooperative Gains Mandate?**
- Employers' associations and ministries will prepare savings and bargaining plans for their sector or for individual employers and submit those plans to Ministers and the Public Sector Employer's Council Secretariat prior to bargaining.
 - Ministries will be responsible for ensuring the accuracy, commitment and ability to validate and track savings plans and that bargaining strategies align with the Province's policy and budgetary goals.
 - Once this process is complete, employers will be in a position to discuss with unions how they may be able to reach agreements that protect public services while addressing the interests of employees.
- 6. How involved should the unions be in finding the savings for bargaining proposals?**
- Employers and ministries are developing table-specific bargaining plans and strategies. These strategies will vary depending on the unique needs and conditions in each sector.
 - Unions will play an important role in facilitating the co-operation necessary to implement collective agreements changes, but not necessarily in the savings identification process.
 - Employer bargaining agents may also approach unions with proposals for actions unions can take to generate savings to fund increases, for instance, through changes to benefits plans.

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- 7. What happens if an employer did not reach a settlement under the 2010 Mandate? Does that mean the next collective agreement has to begin with two years of net-zero before negotiating under the cooperative gains mandate?**
- Collective agreements that expired in 2010 or 2011 and that have not yet been renegotiated must meet the Net Zero Mandate for two years.
 - An agreement that expired in 2010 and was not renewed before 2012 would need to include two “Net Zero” years from 2010 to 2012 before any increases are available under the Cooperative Gains Mandate.
 - For example, for an agreement that expired June 30, 2010, the period July 1, 2010 to June 30, 2012 must be consistent with the Net Zero Mandate. The period after July 1, 2012 will be covered by the Cooperative Gains Mandate.
- 8. Is Cooperative Gains another form of Goalsharing?**
- Goalsharing is a management-driven approach to providing incentives for productivity gains by sharing economic benefits across an organization after a collective agreement is settled. Goalsharing plans typically set targets on the basis of which payments can be made to unionized and other employees, if targets are met. Targets are usually linked to initiatives where employee involvement is central to productivity gains (e.g., reduction in sick leave utilization, reductions in injury rates, etc.). Payments are made after targets have been met. Payments are traditionally lump-sums.
 - Goalsharing is permitted under Cooperative Gains and may be a feature in some negotiations.
 - Savings plans developed by employers are likely to include measures that are broader than traditional Goalsharing. Cost savings achieved outside of the collective agreement and applied to contract improvements may result in ongoing increases to compensation, not just lump sums.
- 9. What is the difference between a Savings Plan and a Bargaining Plan?**
- The Savings Plan is a new concept that is unique to the Cooperative Gains Mandate.
 - The Savings Plan must detail the ways that an employer and the Ministry propose to generate savings that the bargaining agent will use in negotiations.
 - Bargaining Plans have been a feature of public sector bargaining for a number of rounds of negotiations.
 - The Bargaining Plan identifies how an employer bargaining agent proposes to reach a voluntarily-negotiated settlement with a union.
 - In the Cooperative Gains Mandate, the Bargaining Plan will also identify how a bargaining agent proposes to apply savings.
- 10. Can my Savings Plan be part of the Bargaining Plan?**
- Yes. Savings Plans and Bargaining Plans may be combined in the same document.
- 11. Do I have to create a Savings Plan for each bargaining unit?**
- Savings Plans must detail the initiatives that an employer and the Ministry propose to generate savings for use in

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- negotiations or to fund non-union compensation increases.
 - It is likely that Savings Plans will cover all of an employer's operations – not just individual bargaining units or employee groups – but this may depend on an employer's overall approach.
- 12. Can I apply savings found through redesign for one group of employees to another, or both, groups of employees?**
- Yes. In consultation with the Ministry, application of savings found through redesign may be applied to other employee groups provided service levels are not reduced, and provided that increases are modest for all groups.
- 13. Can savings found within collective agreements be used for increases?**
- Yes.
- 14. Can I use savings realized in one year across more than one year of the agreement?**
- Savings must be real, measurable, and incremental to budget targets. Savings plans must detail when savings are expected to accrue, the quantum of savings, and specific measurement points.
 - Once savings have accrued, they can be used to fund compensation increases.
 - Ongoing savings can be used to fund ongoing costs, across more than one year of an agreement, provided that the savings can pay for the costs.
 - One-time or time-bound compensation increases can be funded by equivalent one-time or time-bound savings.
 - In order to ensure that increases in total compensation do not result in unanticipated net cost increases, both the proposed compensation increases and the equivalent, offsetting savings must occur in the same budget year.
- 15. Can I negotiate a signing bonus?**
- Signing bonuses are possible under the Cooperative Gains Mandate, provided they are paid for by offsetting savings.
- 16. How do my non-union employees fit into the mandate?**
- Compensation for non-union employees is also subject to the Cooperative Gains Mandate.
- 17. Is there a maximum increase under Mandate 2012?**
- There is no set wage increase determined for the mandate, but we will limit maximum average increases in the deals to reduce the variability of potential outcomes.
- 18. Why is there a maximum?**
- Some employers will have difficulties finding savings to fund increases and we want all groups to be treated fairly.
- 19. Why should employers not have to share all savings found to fund increases for unionized employees?**
- Employers are facing a difficult task to find any savings at all.
 - Typically, employers would undertake savings initiatives to reduce costs or improve service; under Cooperative Gains they are asked to undertake these measures to fund increases.
- 20. Can savings that one employer has found be shared across the sector? If so, what happens to things like**
- Except for Crown agencies and research universities, we expect that most employers and ministries will be working to find sector-wide savings that can be shared between

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common wage grids?

21. Are four-year agreements okay—partly under the old mandate, and partly under the new mandate?

multiple employers. This will allow employers to maintain common wage grids.

- Yes. It is possible to have four-year agreements provided that those collective agreements that expired in 2010 or 2011 and that have not yet been renegotiated are within the Net Zero Mandate for their first two years.
- An agreement that expired in 2010 and was not renewed before 2012 would need to include two net zero years from 2010 to 2012 before any increases are available under Cooperative Gains.
- For example, for an agreement that expired June 30, 2010, the period July 1, 2010 to June 30, 2012 must be consistent with the Net Zero Mandate. The period after July 1, 2012 will be covered by the Cooperative Gains Mandate.

22. If savings and cost reductions are identified, do they have to apply in the same year as the compensation increase, or can the savings accrue over several years past the mandate - what if the bulk of the savings from a plan are expected three or four years from now?

- Savings must be real, measurable, and incremental to budget targets. Savings plans must detail when savings are expected to accrue, the quantum of savings, and specific measurement points.
- Once savings have accrued, they can be used to fund compensation increases.
- Ongoing savings can be used to fund ongoing costs, across more than one year of an agreement, provided that the savings can pay for the costs.
- One-time or time-bound compensation increases can be funded by equivalent one-time or time-bound savings.
- In order to ensure that increases in total compensation do not result in unanticipated net cost increases, both the proposed compensation increases and the equivalent, offsetting savings must occur in the same budget year.

23. What if the savings turn out to provide for greater gains than expected—will the unanticipated gains be shared as well—retroactively?

- Any compensation increases negotiated by employers will be based on savings that employers have identified in conjunction with Ministries in advance of bargaining, and with unions during bargaining. Unanticipated gains will accrue to the employer for the benefit of the public (including budget-balancing efforts), unless employers and unions have negotiated goal-sharing or gain-sharing agreements.

24. How far is government willing to go in changing programs and services to save money?

- Employers must not reduce service levels to the public in order to fund compensation increases.
- Employers must not transfer the costs of existing services to the public to pay for compensation increases.

25. Can employers look for savings in executive or non-union compensation or other administrative savings to fund union wage increases?

- Yes.
- Employers should note that their legal obligations regarding existing executive and non-union contracts.
- Employers are likely to develop savings plans that generate savings so as to provide compensation increases for both union and non-union employees.

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- 26. Can employers use savings from existing service redesign to fund wage increases?**
- Yes, provided that the savings are incremental to the budget targets and do not reduce the existing service delivery to the public.
- 27. What if an employer can't find the necessary savings?**
- Many employers will not be able to find savings needed to generate funding for a modest wage increase.
 - This may be an opportunity to work with unions to find other, non-monetary improvements to collective agreements.
- 28. Is it true that all service redesign currently underway is connected to finding savings for the mandate?**
- No. There are employers initiating service redesigns that are independent of finding savings for the mandate.
 - For instance, many employers have initiated service redesigns to bring efficiencies or update existing practices.
- 29. What is the role of the PSEC Secretariat in negotiations?**
- Consistent with previous rounds of negotiations, the PSEC Secretariat will coordinate the review and approval of savings and bargaining plans by government prior to bargaining.
 - During bargaining, employers must submit any changes to approved savings and bargaining plans to the Secretariat for approval.
 - Employers must keep the Secretariat informed of progress at all stages of bargaining, including ratification.
- 30. What is government's Savings Review Process?**
- This process is in place to ensure employers' Savings Plans contain real and measureable changes that create incremental savings to balance costs, and that will not result in a decrease in services or transfer the cost of existing services to the public.
- 31. Can I develop my savings plan proposal independent of the Ministry?**
- No.
 - Savings Plans must be aligned with Ministry service delivery objectives and policy.

Section 10

Appendices

- Public Sector Employers' Council Secretariat Staff List
- Public sector collective agreement expiry calendar
- Members Only Website access

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Employers' Guide to 2012 Cooperative Gains Mandate

Public sector collective agreement expiry calendar

Public Sector Employers' Council Secretariat
COLLECTIVE AGREEMENT EXPIRIES REPORT (Preliminary Data)
as of November 9, 2011

Legend:

• Those in green have settled under the 2010 Mandate

Sector / Agreement(s)	Union(s)	Expired Agreements	2011	2012	2013	2014	2019
Health Sector: Residents, Midwives	PAR-BC, MABC	31/Mar/10					
Universities: 4 universities with 9 Non Faculty Staff agreements	CUPE, IUOE, Poly Party	31/Mar/10					
Colleges and Institutes: 11 institutions with 17 Faculty, Faculty/Support and/or Vocational Faculty agreements	FPSE, BCGEU, CUPE	31/Mar/10					
Colleges and Institutes: 3 Teaching Universities with 2 Faculty and 1 support staff agreements	FPSE, CUPE	31/Mar/10					
Public Service: Salaried Physicians	BCPSA Salaried Physicians, BCMA	31/Mar/10					
Crown Corporations: BC Housing (2 agreements), BC Hydro Powertech	BCGEU, MAPES	31/Mar/10					
Universities: SFU Teacher Support, UBC Childcare	TSSU, BCGEU	30/Apr/10					
Universities: RRU Facilities & Grounds Workers	CUPE local 3886	31/May/10					
Colleges and Institutes: CNC Support	PPWC Local 29 & CNCSSA	31/May/10					
Education (K-12): 60 school districts with 69 Support and 2 Professional Staff agreements	Multiple Unions	30/Jun/10					
Universities: UNBC Support Staff	CUPE Local 3799	30/Jun/10					
Colleges and Institutes: BCIT Faculty	BCITFSA	30/Jun/10					
Colleges and Institutes: 9 institutions with 9 Support Staff agreements	Multiple	30/Jun/10					
Colleges and Institutes: 3 Teaching Universities with 3 Support Staff agreements	BCGEU, COPE, CUPE	30/Jun/10					
Crown Corporations: ICBC	COPE	30/Jun/10					
Universities: 2 universities with 3 Non Faculty Staff agreements	CUPE	31/Aug/10					
Colleges and Institutes: Vancouver Community College Support Staff	CUPE Local 15	30/Sep/10					
Universities: UBC Aquatic Centre	CUPE locals 116 - Aquatic Centre	31/Dec/10					
Education (K-12): Teachers and 1 Professional Staff agreement	BCTF, VTF-Adult Ed	30/Jun/11					
Crowns Sector: BC Assessment CUPE	CUPE local 1767		31/Dec/11				
Health Sector: Community Health, Facilities, Hlth Science Professionals, Doctors, Nurses & Osteopaths	BCMA, CBA, FBA, NBA			31/Mar/12			
Universities: RRU Faculty, TRU Faculty, TRU BCOUFA Faculty Tutor agreements	RRU-FA, TRU-FA, TRU-FA (Tutors)			31/Mar/12			
Colleges and Institutes: Langara and VCC Faculty agreements	FPSE - LCFA, FPSE - VCCFA			31/Mar/12			
Colleges and Institutes: Langara Support Staff (2 agreements)	CUPE Local 15, BCNU			31/Mar/12			
Colleges and Institutes: Teaching Universities: Fraser Valley U (joint Faculty Support group), VIU Faculty and Vocational Faculty	FPSE, BCGEU			31/Mar/12			
Community Social Services: Community Living & General Services	Multiple			31/Mar/12			
Public Service: BCGEU and PEA Masters, Public Service Nurses	BCGEU, PEA, BCNU, UPN			31/Mar/12			
Crowns Sector: 7 with 10 agreements (BC Hydro (2), BC Transit (2), BC Pension Corp, CLBC (2), LSS, WSBC (2))	Multiple			31/Mar/12			
Universities: UVIC Sessional Lecturer agreements	CUPE			30/Apr/12			
Crown Corporations: BC Pavilion Corp (tentative settlement)	BCGEU			31/May/12			
Universities: 4 with 9 agreements - SFU (Faculty, PEA); UBC (AAPS, UBCFA [incl sessionals] BCGEU-O (2)); UNBC (Faculty); UVIC (Faculty, PEA)	Multiple			30/Jun/12			
Public Service: Queen's Printer	CEP			30/Jun/12			
Crowns Sector: Oil & Gas Commission	BCGEU & PEA			30/Jun/12			
Crown Corporations: Legal Services Society	PEA			30/Sep/12			
Colleges and Institutes: Selkirk College Support Staff	PPWC Local 26			31/Dec/12			
Crowns Sector: BC Transit CUPE	CUPE			31/Dec/12			
Crown Corporations: BC Hydro Columbia Hydro Construction Ltd	Allied Hydro Council (AHC)			30/Jun/13			
Public Service: Judges & Judicial JPs	Justice Compensation Committee					31/Mar/14	
Crown Counsel ¹	BC Crown Counsel Association						31/Mar/19
Total Unionized Staff		76,234	559	138,072	0	144	464
Total Non-Union, Mgmt/Exempt	FTEs by Calendar Year	32,500	0	9,065	0	18	246
TOTALS		108,734	559	147,136	0	162	710

Number of Reporting Groups by Calendar Year	2011	2012	2013	2014	2019
As a % of total agreements:	72%	1%	25%	1%	1%

¹ Wage and benefit re-opener Apr 1 10 and Apr 1 11.

² Wage re-opener Apr 1 10. Actual expiry date: Mar 31 12

³ Either party may provide notice of intention to amend terms of agreement within 3 months of Mar 31 2011 & Mar 31 2015. Actual expiry date: Mar 31 19

Includes Public Service and BC Pension Corporation employees

Employers' Guide to 2012 Cooperative Gains Mandate

Members Only Website

This website is a confidential web resource for public sector employers and employer associations. It provides links to the Employers' Guide to Mandate 2012, as well as the Labour Relations Reporting System (LRRS) which employer bargaining agents use to submit compensation, demographic, benefit and collective agreement costing surveys. The website also contains settlement summaries for ratified collective agreements.

Employer bargaining agents can gain access to the website by asking the Secretariat for a confidential user ID and password. Passwords do not expire and employer bargaining agents are responsible to ensure that confidentiality is maintained.

Website address: <https://pseclrrs.gov.bc.ca>

Login ID: provided by PSEC Secretariat

Password: provided by PSEC Secretariat

First time users will be asked to accept the Terms and Conditions for Access to the PSEC LRRS.

Employer associations are free to request access for individual employers or alternatively, are free to copy Employers' Guide to Mandate 2012 and settlement summary materials for distribution in their sectors.

Questions should be directed to Rhonda Smith at 250 356-0229 or by e-mail at Rhonda.M.Smith@gov.bc.ca

EMPLOYERS' GUIDE TO THE 2014 ECONOMIC STABILITY MANDATE

This document is strictly confidential and is to be used by employer bargaining agents to assist in preparation for collective bargaining.

December 2013

Employers' Guide to the 2014 Economic Stability Mandate

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Employers' Guide to the 2014 Economic Stability Mandate

How to use this Guide:

Every employer bargaining agent (either an employers' association or individual public sector employer) must have a Provincially-approved bargaining plan in place to govern its negotiations to renew an expired collective agreement. The Employers' Guide to the **2014 Economic Stability Mandate** is designed to be a central reference document for employer bargaining agents to use in preparing bargaining plans. The guide contains descriptions of key components of the mandate that will assist employer bargaining agents in preparing bargaining plans, and also sets out expectations that the Province has of employer bargaining agents.

Interpretation of this Guide:

The Employers' Guide to the **2014 Economic Stability Mandate** represents guidelines and strategic direction for public sector employers in British Columbia. In the event of a dispute, the Public Sector Employers' Council Secretariat reserves the right to be the sole body to interpret the guide and the policies it contains.

Employers' Guide to the 2014 Economic Stability Mandate

The goals of the Economic Stability Mandate:

- To create certainty and stability throughout the public sector through longer-term voluntarily negotiated agreements.
- To protect the Province's fiscal plan and public services by negotiating collective agreements that are affordable to the taxpayers of B.C.
- To provide public sector employees with the opportunity to share in the economic growth of the Province, conditional upon economic performance and ability to pay.

Section 1 - Background / Context

Employer bargaining agents are preparing for the 2014 round of negotiations with a backdrop of continued economic uncertainty. The economy still faces challenges, and the current forecast is growth of 1.4 per cent. The September forecast predicted modest improvements in 2014. The Canadian and American economies continue to struggle, and while B.C. is in better economic shape than many other jurisdictions - government continues to forecast small surpluses in each of the three years of the fiscal plan. The **Economic Stability Mandate** recognizes and supports the Province's commitment to deliver balanced budgets.

Total compensation for the public sector currently costs the Province \$24 billion annually. An increase of one per cent in total compensation for all unionized public sector employees would cost approximately \$200 million and if applied to non-union and management groups, it would increase to \$242 million.

The First Quarterly Report, released on September 10, 2013, stated that British Columbia is still projecting a small surplus which is balanced on a razor's edge. The Province continues to emphasize expenditure management as a key initiative; as well, the Core Review is projected to result in further efficiencies which are designed to ensure government is focusing on its key service delivery goals.

Most provincial public sector unions have now completed two years of net-zero compensation increases and more than 250,000 unionized employees working in B.C.'s public sector now have tentative or ratified agreements settled under the 2012 Cooperative Gains Mandate. B.C.'s disciplined approach to public sector compensation, which accounts for over 50 per cent of the Province's total spending, has played a significant role in responding to recent fiscal challenges.

In continuing to build on the success of the 2012 Cooperative Gains Mandate, government is open to exploring how greater certainty and stability could be created for the public sector through longer-term agreements that support the Province's economic stability.

The **Economic Stability Mandate** provides employers the ability to negotiate longer-term agreements within a fixed fiscal envelope and offers public sector employees an opportunity to participate in the Province's economic growth. Settlements are expected to be unique between sectors and reflect government's priorities of having labour stability and affordable service delivery throughout B.C.

Employers' Guide to the 2014 Economic Stability Mandate

Process

The process for bargaining under the **Economic Stability Mandate** is largely the same as it has been in previous rounds. This guide provides all the details necessary to prepare for the 2014 round of negotiations.

Prior to bargaining, employer bargaining agents and ministries will collaborate on bargaining plans for their sector. Employer bargaining agents must submit finalized bargaining plans to their Ministers Responsible (Ministers) and the Public Sector Employers' Council Secretariat (the Secretariat) **prior to the start of bargaining on substantive issues** (specifically, employer bargaining agents **may not** discuss monetary items until a bargaining plan has been approved).

Bargaining plans may be sectoral, may include all union tables at a single employer, or may be prepared for each individual table.

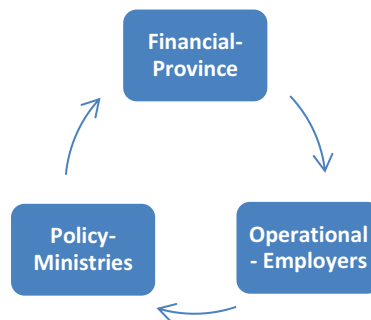
Once the Secretariat has confirmed that the Province has approved a bargaining plan, the employer bargaining agent can seek a negotiated settlement in line with the approved bargaining plan. Bargaining plan approval will be confirmed by a written bargaining direction letter from the President and CEO of the PSEC Secretariat.

The PSEC Secretariat will co-ordinate the review and approval of collective agreement proposals during bargaining. It may seek assistance from the ministry responsible to review and approve specific proposals related to public policy requirements, service delivery objectives or any other contextual matters. The Secretariat will make every effort to facilitate consideration and approval in a timely manner that does not interfere with bargaining.

The **Economic Stability Mandate** must be considered in the context of the Province's broader strategic direction for an individual employer, a sector, or a sub-sector. Settlements will be differentiated between sectors and potentially between employers in some sectors due to the flexibility to negotiate different increases for groups, targeting increases to those occupations where employers are experiencing recruitment and retention issues.

Every employer bargaining agent (either an employers' association or an individual public sector employer) must have a Provincially-approved bargaining plan in place to govern its negotiations to renew an expired collective agreement.

Three Arms of the Mandate



Employers' Guide to the 2014 Economic Stability Mandate

Section 2 – Principles of the Economic Stability Mandate

The **Economic Stability Mandate** provides public sector employers with guidelines about the collective bargaining process. Bargaining agents, ministries and service delivery agents will consult and seek bargaining outcomes that support the Province's strategic policy and financial objectives, as well as the operational needs of employers.

The mandate applies to all public sector employers with unionized employees whose collective agreements expire on or after December 31, 2013. It also applies to compensation plans for non-union and management employees.

Principles of the Economic Stability Mandate

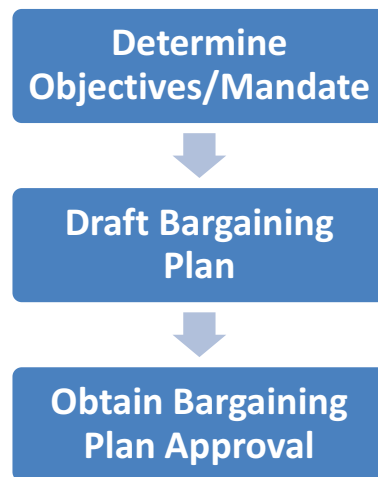
- The Province's highest priority is a balanced budget. To support this priority, there will be **no funded wage increase in the first year** of all collective agreements. Increases may only be provided, subject to pre-approval, through modest net-zero trade-offs. Identified savings must be real, measurable, ongoing, and incremental.
- Employer bargaining agents are not required to negotiate a specific wage increase; however, modest increases are expected and will be funded within the **fixed fiscal envelope** based on the total labour costs, as directed by the PSEC Secretariat.
- An additional **variable increase** on wage and wage-impacted benefits is tied to British Columbia's **gross domestic product (GDP)** when forecasted growth is exceeded.
- Employers must seek agreements that are a **minimum of four to five years** in term.
- Employers are encouraged to consider options to control or **cap future cost growth** of health care and long-term disability. The Province will not provide additional funding to cover ongoing cost increases in these benefits.
- Employers are encouraged to **seek Lean-type continuous improvement approaches** to seek efficiencies on how jobs are performed and services delivered by streamlining operations that result in improved service quality and saves both cost and time.
- Employers **must not reduce service levels or transfer the costs** of existing services to the public to pay for compensation increases.
- Employers, employers' associations, and ministries will work together through the PSEC Secretariat to develop individual bargaining plans. All bargaining plans **must be approved** by the Province prior to tabling proposals and any subsequent changes during the bargaining must be pre-approved.
- Employers must continue to **achieve the Province's financial, policy and operational objectives** as identified in bargaining plans and bargaining and accountability direction letters.

Employers' Guide to the 2014 Economic Stability Mandate

Section 3 - Bargaining Plan Development & Approval Process

The following is a description of the steps employer bargaining agents must follow during the period of collective bargaining covered by the **Economic Stability Mandate**. These steps are meant to ensure that an employer bargaining agent has a clear **financial** mandate from the Province to bargain and conclude a collective agreement, and that any settlement supports the organization's approved **policy** direction and **operational** service delivery priorities.

Steps in the Bargaining Process



Overview

The bargaining plan has been a feature of B.C. public sector bargaining mandates for a number of rounds of negotiations. The purpose of a bargaining plan is to identify how an employer bargaining agent proposes to reach a voluntarily-negotiated settlement with a union.

Bargaining plans are to be developed by ministries, employer bargaining agents (employers' associations) and employers, in close cooperation. Active involvement of ministries in developing bargaining plans is essential to ensure effective alignment of ministry policy with the bargaining plan. Active involvement of employers will ensure that employer operational issues or priorities are addressed in the plan.

Bargaining plans may be sectoral, may include all union tables at a single employer, or may be prepared for each individual table. Bargaining plans identify how the sectoral employer bargaining agent (or individual Crown or university) proposes to reach a voluntarily negotiated settlement.

Employer bargaining agents, along with ministries responsible, must prepare bargaining plans and provide those plans to the Minister responsible for the sector and to the Public Sector

Employers' Guide to the 2014 Economic Stability Mandate

Employers' Council Secretariat **prior to the start of bargaining on substantive issues** (specifically, employers **may not** discuss monetary issues until a bargaining plan has been approved).

Bargaining Plans

The PSEC Secretariat will co-ordinate the review and approval of collective agreement proposals during bargaining. It may seek assistance from the ministry responsible to review and approve proposals related to public policy requirements, service delivery objectives or any other contextual matters. The Secretariat will make every effort to facilitate consideration and approval in a timely manner that does not interfere with bargaining.

The PSEC Secretariat and the ministry responsible will review plans, prepare briefing materials, and request approval of the Minister responsible for the *Public Sector Employers Act* and the Minister responsible for the employer.

Once the Secretariat has confirmed with the employer bargaining agent that the Province has approved its bargaining plan, the agent can seek a negotiated settlement consistent with the bargaining plan. Bargaining plan approval will be confirmed by a bargaining direction letter from the President and CEO of the PSEC Secretariat.

Substantive changes to bargaining plans during the negotiating process may require the submission and approval of a revised plan. Secretariat staff will work with employers to expedite this supplementary approval process.

Bargaining Plan Elements

Bargaining plans must summarize the employer bargaining agent's strategy for reaching a negotiated agreement under the Province's **Economic Stability Mandate**. A complete bargaining plan will describe all the significant proposals the bargaining agent intends to table in bargaining, including:

- Any compensation proposals, such as changes to: wages, benefits, premiums, allowances or pensions, bonuses, goal/gainsharing plans; proposals that may generate savings at the table; separation incentives; or any other proposal that may have an effect on the employer's or sector's compensation base.
- Changes to reimbursable expenses (including changes to remove existing items from the collective agreement).
- Employment security proposals.
- Proposals for third party dispute resolution.
- Proposals for changes to paid hours of work.

Sections 4 and 5 in this guide describe in more detail some of the principles employer bargaining agents will need to consider in developing proposals on the above items.

Bargaining plans must also include:

Employers' Guide to the 2014 Economic Stability Mandate

- Preliminary costing of proposed trade-offs – in the template provided to the employer bargaining agent and the Secretariat (see Section 6).
- A high-level communications plan (see Section 7).
- Any other relevant contextual information.

Bargaining plans must also outline key elements of the bargaining strategy, including the following:

- A description of any non-monetary items that can be used as incentives at the bargaining table, for example, language relating to employment security, workload or working conditions.
- An outline of what collective agreement changes the employer bargaining agent intends to secure in exchange for improvements offered to a union.

Requests for Changes to Plans during Bargaining

If, during bargaining, an employer bargaining agent determines that it needs to make changes to an approved bargaining plan, it must return to the PSEC Secretariat for review and approval of those amendments.

The Secretariat will coordinate the review and approval of requests for changes to the bargaining plan. The Secretariat will make every effort to facilitate consideration and approval of changes in a timely manner that does not interfere with bargaining.

Communication and Coordination during Bargaining

Employer bargaining agents must maintain regular contact with the Secretariat over the course of negotiations so that the Secretariat can be in a position to respond quickly to issues and questions raised by employers and responsible ministries. This includes regular communication and sharing of bargaining proposals during bargaining. This will help to ensure that employer bargaining agents are not delayed in their negotiations or prevented from responding to emergent issues.

Employer bargaining agents are encouraged to use electronic tools, such as Sharepoint sites, in order to share bargaining materials with the Secretariat and other relevant stakeholders. These tools were used to great effect in the previous two rounds of negotiations.

Please note the costing of compensation-related elements must be prepared according to the key principles in Section (6) submitted to the Secretariat in advance of discussion at the bargaining table, and use the costing template provided to the employer bargaining agent by the Secretariat. Monetary costings submitted to the ministry and PSEC Secretariat at the last minute may not be approved in time for scheduled tabling, delaying bargaining.

Final Offer Approval

Employer bargaining agents must provide a proposed final offer for settlement to the Secretariat before tabling the final offer in bargaining with a union bargaining agent.

Employers' Guide to the 2014 Economic Stability Mandate

If a final offer is consistent with an approved bargaining plan, and the employer bargaining agent has been updating the Secretariat regularly on the progress of negotiations, the Secretariat should be able to provide approval quickly.

Where a proposed final offer is different from an approved bargaining plan, the Secretariat will coordinate the review of the required amendments to the bargaining plan. The Secretariat will make every effort to facilitate consideration and approval of changes in a timely manner that does not interfere with bargaining.

Conclusion of Bargaining and Employer Ratification

After receiving confirmation from the Secretariat that the Province has approved a final offer, an employer bargaining agent may conclude bargaining and enter into tentative settlements on the basis of the final offer approved by the Province. Employer bargaining agents must keep the Secretariat informed about any immediate communications plans discussed after reaching the tentative agreement, and of the progress of employer and employee bargaining agent ratification processes.

Employers' Guide to the 2014 Economic Stability Mandate

Section 4 - Total Compensation Proposals

Under the **Economic Stability Mandate**, employers will be given a fixed fiscal envelope equivalent to a predetermined percentage of total compensation, each year. Subject to approval, employers will have the flexibility to negotiate as they see fit within this fixed fiscal envelope. Cost increases beyond this must be offset by equivalent ongoing savings generated by changes to the collective agreement or finding operational efficiencies subject to approval by the Secretariat.

The fixed fiscal envelopes will be calculated based on compensation base data provided to the Secretariat in the Compensation Base Survey conducted in September 2013, or subsequent revisions approved by the PSEC Secretariat.

Principles to use in developing Total Compensation Proposals

- To determine the extent that wage increases are funded, employer bargaining agents should consult with the Secretariat and the ministry responsible during preparation of bargaining plans. Within the approved financial envelope, wage increases in the collective agreements are funded.
- Subject to pre-approval, increases in the total compensation exceeding the approved financial envelopes must be offset by demonstrable and achieved savings. Savings may be achieved through changes to a collective agreement negotiated during collective bargaining, or through approved operational savings.
- Ongoing compensation increases above the allotted envelope must be funded by equivalent ongoing savings, including periods beyond the term of the collective agreement. One-time or time-bound compensation increases can be funded by equivalent one-time or time-bound savings.
- In order to ensure that increases in total compensation do not result in unanticipated net cost increases, the offsetting savings must start before or on the date of proposed compensation increases.
- Savings proposals must be supported by the best possible evidence available.
- Employers will find detailed information for costing total compensation proposals in the Collective Agreement Costing (Section 6) of this guide.

Specific considerations related to Total Compensation Proposals

Wages

- Employer bargaining agents are not required to negotiate a target wage increase; however, modest increases are expected and must be within the approved financial envelope. Subject to pre-approval, employer bargaining agents may negotiate differentiated increases for different occupations, targeting increases to those occupations where employers are experiencing recruitment and retention issues.

Employers' Guide to the 2014 Economic Stability Mandate

Labour Market Adjustments

- Wage or benefit adjustments that are targeted at a particular group or subset of a bargaining unit (e.g., labour market adjustments targeted at particular occupations) must be identified and distinguished from general adjustments and costed separately. Targeted adjustments must be included in the increase to the compensation base and total costs.
- Subject to the PSEC Secretariat's pre-approval, employers may negotiate differentiated targeted increases for occupations where employers are experiencing recruitment and retention issues. The targeted increases should be paid either from **within the approved fixed fiscal envelope** or through net-zero trade-offs, or savings from operational efficiencies. Identified savings must be real, measurable, ongoing, and incremental.

Benefits

- Where possible, employers shall seek measures to control or cap growth in benefit costs and take steps to do the following:
 - To raise employee awareness of rising benefit costs.
 - To work jointly with unions to address absence and disability management.
 - To explore other initiatives which support sustainable benefit levels such as joint early intervention programs.
- Specific direction will be provided in bargaining direction to employer bargaining agents.
- Where projected increases in the cost of providing a benefit package can be contained through restructuring of the package or capping benefits, projected savings or a portion of projected savings can be redistributed within the total compensation package.
- Where benefit costs or savings are calculated with reference to utilization rates, historical utilization rates over at least the **previous four (4) years** must be used. Historical patterns will be acceptable, provided the employer and the Secretariat agree these rates are not likely to change over the term of the collective agreement. This may also require validation by the third-party benefit provider.

Reimbursement of Expenses

- Payments to employees that require receipts (such as travel, clothing, and some per diems) are considered as employer operating expenses, as long as they are in support of the employee performing his or her duties. Similarly, reasonable allowances (such as mileage) or vehicle lease arrangements are also considered operating expenses. Employer bargaining agents are not required to increase reimbursable expense rates, however, modest increases may be expected and treated as follows:
 - Reimbursement rates may be increased by no more than the negotiated general wage increase (GWI) amount in any year of the agreement, or up to the limit published by the Canada Revenue Agency (CRA), whichever is lower.
 - All negotiated increases must be costed and approved by the PSEC Secretariat.

Employers' Guide to the 2014 Economic Stability Mandate

- Rate increases consistent with the above will not be counted against an employer's financial mandate. Rate increases that are larger than the GWI, or above the CRA guideline, will be counted against the financial mandate.
- Rate increases will be self-funded or may be funded within the fixed fiscal envelope.
- Reimbursements for professional association membership dues are **not included** in this policy. Any changes to these rates will be costed against the financial mandate. Employers may use the Public Service Agency's guidelines for paying for professional designations.
- The administration of existing provisions relating to business reimbursement and professional development does not need to be included in the costing of collective agreements.

Goalsharing / Gainsharing

Goalsharing (or gainsharing) is a management-driven approach to providing incentives for productivity gains by sharing economic benefits across an organization after a collective agreement is settled.

Proposed Goalsharing programs must meet the following criteria:

- Goalsharing programs should be considered in a broad organizational context so that improvements in one area do not detract from service delivery objectives and overall organizational performance (i.e. they should not negatively impact areas such as quality, safety, or financial performance).
- The proportion shared and the overall quantum paid to employees needs to be based on a sound analysis of the impact on services.
- Goalsharing initiatives must measure performance against valid baselines or targets and distribute gains in accordance with an agreed upon formula.
- Any payout must be based upon realized, tangible and measurable gains. The payout must be funded out of savings generated by the gains and require no new funds from the employer, and must respect annual budget parameters.
- Metrics used to measure productivity and determine payouts should be aligned with responsible ministry and organizational objectives.
- Goalsharing payments must be in the form of re-earnable lump sum payments.
- Employers must work with the Secretariat at the following points for approval of metrics and calculations:
 - the beginning of each year of the plan- i.e., when valid base lines and targets are established for the year; and,
 - the end of each year of the plan - i.e., when the determination is made about whether a payout is warranted based upon realized, tangible and measurable gains.

Employers' Guide to the 2014 Economic Stability Mandate

- The following are examples of some goalsharing programs in place in the B.C. public sector:
 - An annual lump sum payment based on a formula related to reductions in absenteeism flowing from a Joint Early Intervention Plan.
 - An annual lump sum payment of up to 2% of wages based on the employer meeting targets established by the board of directors in two areas:
 - Payments of up to 1% of wages based on costs avoided through improvements in voluntary return-to-work outcomes and timeliness or improvements in the serious injury rate, measured by comparison of actual results vs. target results; and
 - Additional goalsharing payment of up to 1% of salary based on achievement of targets set for a customer service index based on key measurements.

Pensions

- Employer contributions to an employees' pension plan are a part of an employee's total compensation.
- Whether an employer belongs to a public or private pension plan, savings and expenses related to pension plans can be part of compensation trade-offs. Any improvements to pension plans that result in additional costs to an employer must be funded by offsetting savings. A basic contribution rate change as identified by an actuarial analysis, to maintain the current pension benefit, is not considered an improvement or reduction.
- The negotiation of changes to public sector pension plans involves parties other than the employer and union involved in collective bargaining. This makes the discussion of pensions difficult in the context of collective bargaining.
- There are practical difficulties for parties to a collective agreement to discuss or negotiate pension benefits. For example, public sector pension plans span multiple employers. Some bargaining units in the post-secondary sector span at least two different pension plans.
- Furthermore, the four public sector pension plans are directed by boards of trustees who must be consulted and, eventually, agree to any changes affecting the pension plans. Any tentative agreement between an employer and union relating to pensions would need to clearly state that provisions related to these plans are subject to that approval.
- Last, for legislative reasons, discussions related to these pension plans may have to occur at separate pension plan partner tables, and away from the bargaining table.
- Early consultation with the Secretariat is therefore appropriate if any public sector pension plan changes are contemplated in bargaining.
- The following is a list of some pension provisions that can be negotiated at the collective bargaining table and implemented subject to trustee agreement where required:
 - To be brought into one of the public sector pension plans;

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- To have earlier enrolment than provided for in the *Pension Benefits Standards Act* or the plan rules;
- To include part-time, casual, or temporary employees in mandatory or optional enrolment;
- To make long term disability plans eligible under the plan rules;
- To enter into special agreements (group defined contribution plan, tax free savings account, or RRSP); and
- To negotiate funding for post-retirement group benefits not covered by the pension plan.

Extinguishing Liabilities

- Cost savings can be generated by extinguishing demonstrable legal liabilities that flow from collective agreement provisions, or by eliminating liabilities as defined in the *Canadian Institute of Chartered Accountant Handbook*.
- Savings from extinguishing liabilities will be recognized only for the amount the employer would have booked or expended for that liability during the period of the collective agreement.
- Employers may need to provide actuarial valuations in order to support a proposal. Employers may also be required to obtain and share legal advice with the Secretariat to support their proposals.
- Examples of where employers may be able to generate savings from extinguishing liabilities include:
 - Reducing leave banks,
 - Settling a grievance or arbitration with a high probability of loss.

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Section 5 - Key Policies

The following are non-monetary issues that may arise in preparation for or during collective bargaining for which the Province has developed specific policies applicable to employer bargaining agents.

Management Rights

- Employers must not surrender existing “material” management rights in collective bargaining. Material management rights are those rights that if negotiated away would have a negative impact on the employer’s ability to deliver services effectively and efficiently.
- Employers are **encouraged** to enhance existing management rights in collective bargaining. For example securing stronger positions in areas of setting staffing levels, scheduling, promotion, contracting out, or any other significant aspects of directing the workforce in exchange for what is offered to the unions.
- Any questions regarding management rights and bargaining should be discussed with the Secretariat prior to bargaining.

Employment Security

- Employers may only develop proposals for employment security provisions if they do not impede policy or service delivery objectives.
- Employment security provisions must be event-specific or time-bound and provide a specific expiry date.
- Examples of employment security provisions that may be considered include time-limited provisions negotiated to aid an employer through a business model change.
- If considering employment security provisions, employers should consult with the Province to ensure alignment with responsible Ministry and Provincial budgetary targets.

Separation Initiatives

- Employers may develop proposals for separation incentives that facilitate workforce adjustment (e.g., Early Retirement Incentive Plans), provided these proposals facilitate service delivery objectives.
- Proposals for workforce adjustment programs must meet the following criteria:
 - the program must be cost-neutral over a defined period, or paid for by offsetting savings;
 - the program must result in an overall reduction in compensation costs and FTE levels;
 - the program must not result in a reduction of services delivered unless specifically approved by the Province;

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- the program must be consistent with the policy priorities of the employer's funding ministry and broader Provincial policy priorities;
- any immediate costs incurred by the program must be reasonable relative to annual budgets; and
- the program must not exacerbate or create any future labour market shortages.

Binding Interest Arbitration

- Binding interest arbitration delegates to a third party or parties the power to resolve an impasse in bargaining over elements of a collective agreement.
- Employers are not permitted to agree to new binding interest arbitration provisions either in the form of permanent collective agreement language or in the context of dispute resolution for a collective bargaining impasse.

"Me Too" Provisions

- The use of new "me too" provisions is discouraged and employer bargaining agents must seek approval from the PSEC Secretariat if they wish to discuss these provisions in bargaining. In specific circumstances where there are virtually identical collective agreements, "me too" provisions may be permissible provided they will not result in any unfunded compensation increases or net increases in costs to the employer or the Province.

Changes to paid hours of work

- Bargaining plans that call for increasing hours of paid work must be pre-approved as part of the bargaining plan. Increasing pay and hours worked must be supported by increases in overall productivity.
- Employers wishing to increase hours of work must receive approval from the Minister of Finance, through the PSEC Secretariat, prior to discussions at the bargaining table.
- Increases to hours of work that result in increased compensation costs will be considered only where there are offsetting cost savings (e.g. reduced overtime or reduced casual work) or there is a legitimate service delivery requirement or by mandate if reducing FTEs. Increasing hours of work without increasing annual earnings does not require any approval.
- In analyzing proposals to increase hours of work, the PSEC Secretariat may consider whether "hours of work" is a legitimate labour market issue (i.e., hours are significantly lower than sector standards, thereby creating recruitment and retention issues) and whether an employer's overall productivity can be increased.

Lean

- Employers are encouraged to seek Lean-type continuous improvement approaches to seek efficiencies on how jobs are performed and services delivered by streamlining operations that result in improved quality service and saves both cost and time.

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- The Lean philosophy is based on improving customer service while empowering employees to identify problems and create solutions that get rid of unnecessary rules, processes and steps. This way, customers experience improved service, employee time and resources are optimized, waste is eliminated and quality is improved.
- The Lean methodology focuses on collecting the “voice” of the customer and employee, getting to the root cause of a problem, mapping current processes to identify non-value added steps and quickly implementing process improvements.

Committees

- Collective agreements often provide for multiple employer/union committees to handle ongoing work associated with the administration of a collective agreement.
- When negotiating the establishment of new committees, or changing existing committees, employer bargaining agents must ensure that each party to the committee will bear the costs of their participation in the committee.

Policy Tables

- Employer bargaining agents, unions, the Province and other stakeholders may engage in “policy table” discussions as a means to address interests held in common by the parties outside of the collective bargaining process.
- Policy tables are an appropriate means to address issues that cannot be addressed through collective bargaining or are better dealt with outside the collective bargaining process. Issues related to the Province’s broader policy direction for a given sector (e.g. scope of practice in the health sector, etc.) can be ill-suited to the context of collective bargaining, so policy tables may prove a more appropriate forum for problem solving and resolution.
- The Province supports and encourages the use of “policy tables” as a method of addressing fundamental issues that affect workplace conditions.
- Policy tables will normally involve not only parties to the direct collective bargaining relationship, but also parties outside that relationship, and must include representatives from the major stakeholders in the relationship. Ministry participation in policy table discussions is particularly important as issues being discussed will often have important implications on service delivery or ministry policy.
- Agenda at policy tables will focus on issues that cannot be addressed through collective bargaining alone. Issues that are properly and more effectively addressed through collective bargaining should not be part of policy table discussions.

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Section 6 - Collective Agreement Costing

Overview

- Employer bargaining agents must provide clear and accurate costing of all compensation-related elements in their bargaining plans, changes to those plans that arise during bargaining, and final offers.
- Costing of compensation-related elements must be prepared according to key principles in this section, submitted to the Secretariat in advance of discussion at the bargaining table, and using a costing template agreed to by the employer bargaining agent and the Secretariat.

Purpose of Costing

- Clear and accurate costing allows the Province to make informed decisions in approving bargaining plans, changes to those plans, and in approving final offers.
- Costing allows the Province to identify all potential financial implications that may flow from collective bargaining.
- A complete costing plan will:
 - Describe the desired outcome or effect; explain how a change in conditions will create savings and for how long and who is affected;
 - Describe the methodology of calculations used and the logic behind them e.g., the assumptions and the variables; and
 - Show the data used to come up with the final costs, how those costs project for the remainder of the proposed agreement and the historical data used as a basis for the calculation.

Where appropriate, third-party validation is required (e.g. changes to benefits).

Process

- Consistent with the general bargaining plan approval process described in this guide, employer bargaining agents must provide clear and detailed costing to the Secretariat of all compensation-related items in a proposed bargaining plan, during bargaining as items arise, in a request for amendments to an approved plan, and in a final offer that differs from an approved plan.
- Costing details must be provided to the Secretariat in advance of the proposed item being tabled during collective bargaining. The Secretariat will make every effort to facilitate consideration and approval of the proposed item in a timely manner, assuming employer bargaining agents provide their requests to the Secretariat sufficiently in advance of the proposed item being discussed in bargaining.
- Costing must note all costs and savings associated with a bargaining plan or final offer and describe the underlying assumptions for each proposed compensation-related item. The Secretariat will review and approve/disapprove individual cost items as employer

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bargaining agents submit them; however, the final offer will only be approved after review of all the cost items that constitute the final package.

- Costing of compensation-related items must be prepared according to the key principles stated below, and submitted to the Secretariat using the Excel costing template agreed to by the employer bargaining agent and the Secretariat.
- After the conclusion of bargaining, employer bargaining agents must also provide the Secretariat with a Memorandum of Settlement, clearly indicating all changes to the agreement (i.e. either a side-by-side comparison or a “track changes” document), and all supporting costing documents. (See Appendix on Costing Approvals).

Definitions

- **Total Labour Cost:** all wage or salary payments, plus wage-impacted and non-wage-impacted benefits, for a given bargaining unit. Total Labour Costs include basic pay, incentive payments, paid time off, allowances, premiums, and employer contributions to pensions and health and welfare benefits for regular, auxiliary or casual work. Total Labour Costs also encompass "backfill" wages and benefit costs for absent employees as well as non-negotiable statutory payments such as CPP, EI, and WCB.
- **End Cost:** the "annualized" cost of all changes to the collective agreement over the term of that agreement. For example, a 2% benefit decrease and a 2% wage increase has an end cost of 0%.
- **Actual Cost:** the cost of a change to the collective agreement from the effective date through to the end of the collective agreement year in which it came into effect. For example, a 2% wage increase effective in the middle of the first year of an agreement would have an “Actual Cost” of 1%.
- **Incremental Cost:** the additional or incremental cost that arises as a result of a change to a collective agreement. Costs in each collective agreement year are determined on the basis of change to the total labour cost compensation base at the beginning of that collective agreement year relative to the end of that year.

Key Costing Principles

Employer bargaining agents must apply the following principles in preparing costing:

- **Consistency** – Costing must be provided to the Secretariat in the format agreed to by the employer bargaining agent and the Secretariat, and must show:
 - end costs;
 - actual costs; and,
 - incremental costs in each year of the proposed settlement.
- **Transparency** – Costing must capture all changes to Total Labour Cost that arise out of a settlement (on an end cost and actual cost basis).

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Employer bargaining agents must identify any changes to a collective agreement that may have cost impacts following the expiry of the agreement, and must estimate and include those costs in its costing.

All settlement changes that may have cost implications but are not included in a formal costing must be noted with an explanation.

- **Open Communication before, during and after Bargaining** – Employer bargaining agents must provide clear and detailed costing to the Secretariat of any compensation-related items in a proposed bargaining plan, during bargaining as items arise, in a request for amendments to an approved plan, and in a final offer that differs from an approved plan.

Costing must be provided to the Secretariat in advance of the proposed item being tabled during collective bargaining.

At the conclusion of bargaining, employer bargaining agents must prepare a Memorandum of Agreement, clearly delineating all changes from the preceding agreement (e.g., using “track changes”), and provide the Memorandum to the Secretariat along with final costing and any other relevant supporting materials.

- **Compensation Base and related assumptions** - It is critical that employer bargaining agents and the Secretariat use the same compensation base information. Any changes to compensation data previously submitted to the Secretariat should be discussed prior to bargaining.

Cost changes should be calculated assuming constant service volume and employee seniority (i.e., incremental costs changes are assumed to be constant in future years) unless there are specific changes in the agreement language related to these issues that will have cost impacts. Where the changes will have cost impacts, these impacts must be explained and included in the costing.

Where staffing levels are seasonal, the average wage calculation should be based on expected average staff levels throughout the year rather than the staff level at a particular point in time.

Changes in the compensation base resulting from demographic changes should not be included in collective agreement costing, unless required as a result of negotiated changes to salary grids, etc.

- **Costing particular items:**
 - **Compensation Trade-offs** – Costing of proposed savings must use realistic and conservative assumptions. Costing should clearly identify these assumptions, the

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base data on which the savings are calculated, and an adequate explanation of how the savings will be generated, including proposed collective agreement language changes.

Where benefit costs or savings are calculated with reference to utilization rates, historical utilization rates over at least the previous four (4) years must be used. Historical patterns will be acceptable, provided the employer and the Secretariat agree these rates are not likely to change over the term of the collective agreement. This may also require validation by the third-party benefit provider.

Costing of proposed offsetting expenditures must be clearly set out separately from proposed savings, applying the EGM 2014 Costing Principles.

- **Wage-Impacted Costs** – The settlement costs for each year of a proposed agreement include the impact of all wages and benefits changes on total labour costs. The effect of wage increases on statutory and non-statutory wage impacted benefits must also be included in costing. Examples of wage-impacted benefits include long-term disability benefits, pension plan premiums, and statutory benefit costs such as EI, CPP, and WCB coverage.
- **Lump-sum Payments** – Lump sum, other one-time payments or bonuses must be included in employer bargaining agent costing, but are not included in the on-going compensation base as they do not increase on-going compensation costs. Employers may provide bonuses by negotiating offsetting savings within the collective agreement, outside of the collective agreement through efficiencies, cost reductions or other operational savings.
- **Non-wage Impacted Benefits** – Benefits that are not affected by changes to wages (e.g., MSP, dental, extended health benefit plan premiums) are assumed to remain constant for the purposes of costing, unless the language in the agreement changes the cost of the benefits.
- **Business Reimbursement** – Employer bargaining agents must include proposed changes to business expense reimbursements (e.g., meal and mileage allowances, safety equipment reimbursement) in costing.
- **Goalsharing/Gainsharing Payments** – Any proposed payments for productivity gains must be included in employer bargaining agent costing. As well, cost savings must be assessed and approved by the Secretariat before any payments are made. Please see the Goalsharing discussion under the Changes in Total Compensation section of this guide for more information.
- **Targeted Adjustments** – Wage or benefit adjustments that are targeted at a particular group or subset of a bargaining unit (e.g., labour market adjustments targeted at particular occupations) must be identified and distinguished from general adjustments and costed separately. Targeted adjustments must be included in the compensation base and total costs.
- **Professional Development** – Professional development allowances are considered compensatory and must be included in costing where:

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- there is a fixed dollar allocation per employee or FTE;
 - the union or employee has a decision or role in determining how the allowance is used; or
 - the allowance is not provided on the basis of reimbursement.
 - Professional development allowances are not considered compensatory and do not need to be included in costing where:
 - the allowance is not allocated on a per employee basis;
 - employers approve the purpose of the development activity; and
 - the allowance is provided on a reimbursement basis.
- **Materiality** – Employer bargaining agents should cost their agreements against the fiscal mandate given in their direction letter. To do this they must provide clear and accurate costing of all proposed changes to a collective agreement and demonstrate how the aggregate cost changes of all proposals will fit within the fiscal envelope, noting all the costs and savings related to the changes. There is no set limit for materiality, nor can a single item be defined immaterial prior to a final offer being tabled as the aggregate of all costs must be considered.
- **Costing items from previous Mandates** – The Secretariat will not re-cost proposals from previous mandate. The only exception will be if it is clear that a proposal was never implemented. In this instance the Secretariat will make a case by case decision which will consider the potential cost impacts of the proposal, if an arbitration or grievance may arise from the non-implementation, and how the proposal aligns with broader policy objectives.
- **Any other items** – Should a costing issue arise that is not covered in this section, the Secretariat will consult with the Employer bargaining agent prior to making a decision. The decision of the Secretariat is final.

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Section 7 - Communications

Alignment and Coordination of Communications

As always in collective bargaining, strategic public communications are needed to achieve negotiated agreements. The **Economic Stability Mandate** presents unique challenges in communicating the differentiated settlements that will be reached within the fixed fiscal envelope. Therefore, it will be vital for the government, employers and employer bargaining agents to stay closely coordinated and plan as much as possible for internal and external communications.

The PSEC Secretariat makes available a Quarterly update of public sector data which includes headcount and total compensation for each sector and employer. To ensure that these figures are consistent in announcements made by employers and government, the Secretariat asks that employers use those in the Quarterly.

Employers and employer bargaining agents must include communication plans in their bargaining plans. Employers should contact respective Government Communications and Public Engagement (GCPE) offices to ensure there is a clear understanding of potential issues or support that may be required by those ministers responsible. For greater coordination, **the Secretariat should be included on all communication with GCPE offices.**

Communications plans should include a strategy that outlines the following:

- a primary (and backup) spokesperson who can speak publicly and respond to media inquiries;
- roles and responsibilities for communications in the lead up to bargaining, during bargaining, during disputes, and after bargaining has concluded;
- main messages that are critical to the employer's bargaining strategy;
- key messages that are aligned with the sector and with Province;
- a process to keep spokespersons well-informed, and
- a description of other relevant communications matters, such as use of social media, issues or challenges and the plan for how they will be managed.

A communications plan template is available by contacting the Corporate Relations Manager at the Secretariat.

Communications plans and messaging may change throughout bargaining; employers and/or employer bargaining agents should work closely with ministries and the Secretariat to ensure ongoing coordination.

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Section 8 - Frequently Asked Questions

<p>1. How is the Economic Stability Mandate different from the previous mandate?</p>	<ul style="list-style-type: none"> • The Economic Stability Mandate provides public sector employers, subject to approval, with the flexibility to negotiate as they see fit within a fixed fiscal envelope. Cost increases beyond this must be offset by equivalent ongoing savings generated by changes to the collective agreement or finding operational efficiencies subject to approval by the Secretariat. • This is in contrast to the 2012 Cooperative Gains Mandate which provided public sector employers with the ability to negotiate modest wage increases made possible by productivity increases within existing budgets.
<p>2. What are the goals of the Economic Stability Mandate?</p>	<ul style="list-style-type: none"> • To create certainty and stability throughout the public sector through longer-term voluntarily negotiated agreements. • To protect the Province's fiscal plan and public services by negotiating collective agreements that are affordable to the taxpayers of B.C. • To provide public sector employees with the opportunity to share in the economic growth of the Province, conditional upon economic performance and ability to pay.
<p>3. What are the principles of the Economic Stability Mandate?</p>	<ul style="list-style-type: none"> • Employer bargaining agents are not required to negotiate a specific wage increase; however, modest increases are expected and will be funded within the fixed fiscal envelope based on the Total Labour Costs, as directed by the PSEC Secretariat. • An additional variable increase on wage and wage-impacted benefits is tied to British Columbia's gross domestic product (GDP) when forecasted growth is exceeded. (Note: variable increase amounts will not include funding for non-wage impacted benefit costs.) • Employers must seek agreements that are a minimum of four to five years in term. • Employers are encouraged to consider options to control or cap future health care and long term disability cost growth. The Province will not provide additional funding to cover ongoing cost increases in these benefits.
<p>4. Is the Economic Stability Mandate funded?</p>	<ul style="list-style-type: none"> • It is the expectation that government will provide the funds required by the increased costs in the collective agreements. • For organizations that receive funding from government, it is expected that additional funding will be provided to offset increased costs from collective agreements negotiated under the Economic Stability Mandate. • Due to the nature of government budgeting, this funding commitment is subject to s. 21 of the <i>Financial Administration Act</i>.
<p>5. What is the process for negotiating under the Economic Stability Mandate?</p>	<ul style="list-style-type: none"> • Employers' associations and ministries will prepare bargaining plans for their sector or for individual

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	<p>employers and submit those plans to the Public Sector Employers' Council Secretariat and ministers and prior to bargaining.</p> <ul style="list-style-type: none"> • Ministries will be responsible for ensuring the accuracy, commitment and ability to validate that bargaining strategies align with the Province's policy and budgetary goals. • Once this process is complete, employers will be in a position to discuss with unions how they may be able to reach agreements that protect public services while addressing the interests of employees.
<p>6. How involved should the unions be in finding savings for bargaining proposals?</p>	<ul style="list-style-type: none"> • Employers and ministries are developing table-specific bargaining plans and strategies. These strategies will vary depending on the unique needs and conditions in each sector. • Unions will play an important role in facilitating the co-operation necessary to implement collective agreements changes. • Employer bargaining agents may also approach unions with proposals for actions unions can take to generate savings to fund increases, for instance, through changes to benefits plans.
<p>7. What happens if an employer did not reach a settlement under the 2010 or 2012 Mandates? Does that mean the next collective agreement has to begin with two years of net-zero, two years of Cooperative Gains Mandate before negotiating under the Economic Stability Mandate?</p>	<ul style="list-style-type: none"> • Collective agreements that expired in 2010 or 2011 and that have not yet been renegotiated must meet the Net Zero Mandate for two years followed by the Cooperative Gains Mandate for two years. • An agreement that expired in 2010 and was not renewed before 2014 would need to include two "Net Zero" years and two "Cooperative Gains" years from 2010 to 2014 before any increases are available under the Economic Stability Mandate. • For example, for an agreement that expired June 30, 2010, the period July 1, 2010 to June 30, 2014 must be consistent with the Net Zero Mandate and the Cooperative Gains Mandate. The period after July 1, 2014 will be covered by the Economic Stability Mandate.
<p>8. Is the Economic Stability Mandate another form of Goalsharing?</p>	<ul style="list-style-type: none"> • Goalsharing is a management-driven approach to providing incentives for productivity gains by sharing economic benefits across an organization after a collective agreement is settled. Goalsharing plans typically set targets on the basis of which payments can be made to unionized and other employees, if targets are met. Targets are usually linked to initiatives where employee involvement is central to productivity gains (e.g., reduction in sick leave utilization, reductions in injury rates, etc.). Payments are made after targets have been met. Payments are traditionally lump-sums. • Goalsharing is permitted under the Economic Stability Mandate and may be a feature in some negotiations. But key is that they must be fully offset by real and measurable savings.

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9. Can savings found within collective agreements be used for increases?	<ul style="list-style-type: none"> • Yes.
10. Is there a maximum increase under the Economic Stability Mandate?	<ul style="list-style-type: none"> • There is no set wage increase determined for the mandate, but maximum average increases will be limited in the settlements to reduce the overall variability of potential outcomes.
11. Why is there a maximum?	<ul style="list-style-type: none"> • Some employers will have difficulties finding savings to fund increases and we want all groups to be treated fairly.
12. Can employers negotiate a signing bonus?	<ul style="list-style-type: none"> • Under the Economic Stability Mandate there are three possible options: <ul style="list-style-type: none"> ○ No Bonus ○ Provide bonus by offsetting savings with in the collective agreement ○ Provide bonus by offsetting cost savings achieved outside of the collective agreement through efficiencies, cost reductions, new revenues etc.
13. How do non-union and excluded management employees fit into the mandate?	<ul style="list-style-type: none"> • Compensation for non-union and excluded management employees is also subject to the Economic Stability Mandate. • However, excluded management employees are currently subject to a wage freeze which must be lifted before compensation increases can be given.
14. Is there a minimum term for collective agreements under the Economic Stability Mandate?	<ul style="list-style-type: none"> • Yes, a minimum four year term for collective agreements is required.
15. If savings and cost reductions are identified, do they have to apply in the same year as the compensation increase, or can the savings accrue over several years past the mandate - what if the bulk of the savings from a plan are expected three or four years from now?	<ul style="list-style-type: none"> • Savings must be real, measurable, and incremental to budget targets. Costing must detail when savings are expected to accrue, the quantum of savings, and specific measurement points. • Once savings have accrued, they can be used to fund compensation increases. • Ongoing savings can be used to fund ongoing costs, across more than one year of an agreement, provided that the savings can pay for the costs. • One-time or time-bound compensation increases can be funded by equivalent one-time or time-bound savings. • In order to ensure that increases in total compensation do not result in unanticipated net cost increases, both the proposed compensation increases and the equivalent, offsetting savings must occur in the same budget year.
16. What if the savings turn out to provide for greater gains than expected—will the unanticipated gains be shared as well—retroactively?	<ul style="list-style-type: none"> • Any compensation increases negotiated by employers will be based on savings that employers have identified in conjunction with ministries in advance of bargaining and with unions during bargaining. • Unanticipated gains will accrue to the employer for the benefit of the public (including budget-balancing efforts), unless employers and unions have negotiated goal-sharing or gain-sharing agreements.
17. Can employers look for savings in executive or non-union compensation or other	<ul style="list-style-type: none"> • Yes.

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<p>administrative savings to fund union wage increases?</p>	<ul style="list-style-type: none"> • Employers should note that their legal obligations regarding existing executive and non-union contracts. • Employers are likely to develop savings plans that generate savings so as to provide compensation increases for both union and non-union employees.
<p>18. Can employers use savings from existing service redesign to fund wage increases?</p>	<ul style="list-style-type: none"> • Yes, provided that the savings are incremental to the budget targets and do not reduce the existing service delivery to the public.
<p>19. What is the role of the PSEC Secretariat in negotiations?</p>	<ul style="list-style-type: none"> • Consistent with previous rounds of negotiations, the PSEC Secretariat will coordinate the review and approval of bargaining plans by Province prior to bargaining. • During bargaining, employers must submit any changes to approved bargaining plans to the Secretariat for approval. • Employers must keep the Secretariat informed of progress at all stages of bargaining, including ratification.
<p>20. Under this differentiated mandate, can the monies be moved between bargaining units?</p>	<ul style="list-style-type: none"> • Any differentiation between the bargaining units should be specified in the employer's bargaining plans which must be pre-approved by PSEC Secretariat, and must be within the fiscal envelope.
<p>21. What is Gross Domestic Product (GDP)?</p>	<ul style="list-style-type: none"> • GDP is defined as the monetary value of all the finished goods and services produced within a region in a specific time period and is normally calculated on an annual basis. • It is commonly used as an indicator of the health of a region's economy.
<p>22. Is real or nominal GDP being used?</p>	<ul style="list-style-type: none"> • Real GDP is being used.
<p>23. What is real GDP?</p>	<ul style="list-style-type: none"> • Real GDP measures the total volume of economic activity in a region. • It is also known as constant dollar GDP because it uses a fixed price level, and is therefore not affected by inflation. As such it is useful for comparing the actual economic output of the economy without inflation affecting the analysis. • The change in the volume of economic activity (real GDP) is a measure of how much "economic progress" is being made over any selected period and is the standard measure for reporting economic growth forecasts.
<p>24. Which forecast of real GDP are we using?</p>	<ul style="list-style-type: none"> • The Economic Stability Mandate will be using the Economic Forecast Council's average forecast for B.C. real GDP as published in the Ministry of Finance Budget and Fiscal Plan as the comparator for the GDP contingent wage increases.
<p>25. Who are the Economic Forecast Council?</p>	<ul style="list-style-type: none"> • The EFC are independent of B.C.'s government and use complex economic models to predict Real GDP. • The EFC members are selected for their knowledge of the B.C. economy and their expertise in economic analysis and forecasting. • An employee of the government reporting entity, other than an employee of a university as defined in the <i>College</i>

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	<p><i>and Institute Act</i>, is not eligible for appointment to the council.</p> <ul style="list-style-type: none"> • The <i>Budget Transparency and Accountability Act</i> requires that the Minister of Finance, in preparing the provincial budget, consults the Economic Forecast Council (the Council) on British Columbia's economic outlook. • The Council is comprised of at least 10 leading economists from several of Canada's major banks and private research institutions. • The Council is considered independent of the Province and, as such, cannot be influenced by the Province. This is why their projections are being used as the benchmark.
<p>26. Doesn't the provincial government manipulate the GDP?</p>	<ul style="list-style-type: none"> • No – although government policy can influence economic growth through government spending and taxation and as such there would be spill-over effects from a change in government policy as the effects trickle through the rest of the economy, although there may be delays before the full effects are realized. Note that direct government expenditures account for approximately a quarter of B.C.'s real GDP (based on the Statistics Canada economic accounts), but the government sector includes all levels of government (i.e. local, provincial and federal) and includes capital investments and purchases of goods and services.
<p>27. What if the economy falters and GDP doesn't meet expectations?</p>	<ul style="list-style-type: none"> • The goal of the Economic Stability Mandate provides public sector employees with the opportunity to share in the economic growth of the Province, conditional upon economic performance and ability to pay. • If the economy falters it is likely that government revenues may be below budget. • Government's priority will always be to protect the budget which may mean that difficult choices would have to be made if a change in the economic circumstances warranted it. • Due to the nature of government budgeting, this funding commitment is subject to s. 21 of the <i>Financial Administration Act</i>.

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Section 9 - Appendices

- Appendix: 2014 Economic Stability Mandate Components and Calculations
- Appendix: Costing Approvals Process
- Public sector collective agreement expiry calendar
- Members Only Website access

Employers' Guide to the 2014 Economic Stability Mandate

Appendix : 2014 Economic Stability Mandate Components and Calculations

The **Economic Stability Mandate** will have two components: general wage increases within a fixed fiscal envelope and wage increases that are contingent on growth of British Columbia's real Gross Domestic Product (real GDP).

Fixed Fiscal Envelope General Wage Increases

The fixed fiscal envelope general wage increases will occur at the beginning of the first month of the contract year and the beginning of a predetermined month later in the contract year. The general wage increases may vary within the fixed fiscal envelope for each employer and should coincide with a regular pay period. For example, a contract that begins on April 1st will have GWIs applied the beginning of the first complete pay period in April and, if the predetermined stagger is nine months, the beginning of the first complete pay period in February of next year.

GDP Contingent General Wage Increases

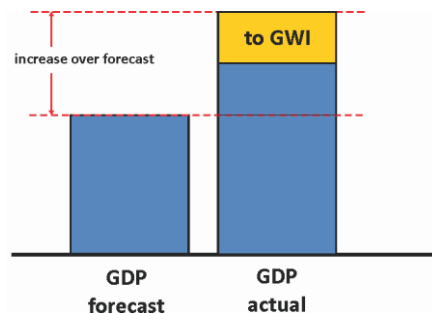
The goal of the **Economic Stability Mandate** is to share the benefits of economic growth between employees in the public sector and the Province. If the economy (as measured by **real GDP**) grows at a faster rate than forecast by the **Economic Forecast Council (EFC)**, then employees will receive general wage increases equal to half of the percentage point difference of the actual growth and forecast growth.

The Economic Forecast Council is a permanent body of experts who provide economic forecast advice to the Minister of Finance as mandated under the *Budget Transparency and Accountability Act*.

These wage increases are not to be used in trade-offs, that is, one cannot bargain to use funds set aside for these increases for any purpose other than a general wage increase.

Employees will receive general wage increases equal to half of any percentage gain in real GDP above the EFC forecast.

For example if real GDP is 1% above forecast real GDP then a 0.5% GWI would result.



What is GDP?

GDP is defined as the monetary value of all the finished goods and services produced within a region in a specific time period, and is normally calculated on an annual basis. It is commonly used as an indicator of the health of a region's economy.

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How is GDP measured?

There are three ways of measuring GDP:

- **Expenditure Side:** Aggregate expenditures/demand (e.g. consumption, investment, government, exports, imports etc.) Real and nominal GDP is available.
- **Income Side:** Total incomes earned in the economy (payments made to factors of production such as labour and capital). Only nominal GDP is available.
- **Industry Side:** The sum of value added by each industry/sector in the economy (e.g. construction, manufacturing, wholesale and retail trade etc.) Real and nominal GDP is available.

In practice, most national statistical agencies, analysts and forecasters put more weight on the **expenditure side** approach as it is considered the most accurate of the three approaches. The expenditure side approach involves counting expenditures on goods and services by different groups in the economy. The four main components are consumption expenditures by households, gross private investment spending principally by firms, government purchases of goods and services, and net exports. A change in any one of these will affect GDP.

What measure of GDP are we using?

Expenditure side GDP is available as **Real GDP** or **Nominal GDP**.

Real GDP measures the total volume of economic activity in a region. It is also known as constant dollar GDP because it uses a fixed price level, and is therefore not affected by inflation. As such it is useful for comparing the actual economic output of the economy without inflation affecting the analysis. The change in the volume of economic activity (real GDP) is a measure of how much “economic progress” is being made over any selected period and is the standard measure for reporting economic growth forecasts.

Nominal GDP depends on both the volume of economic activity and prices in a region. It is also known as current dollar GDP because it uses the current price level and is therefore affected by inflation. There is more variation in the growth rate of nominal GDP than real GDP.

Real GDP vs Nominal GDP: Real GDP is a more appropriate measure than nominal GDP when measuring the economic growth of a region as it reflects actual activity, is not influenced by price changes, and exhibits less variation in its annual growth.

The **Economic Stability Mandate** will be using **Expenditure Side Real GDP** (“Real GDP”) for GDP contingent wage increases.

Who publishes the Real GDP Figures?

The Real GDP figures come from Statistics Canada’s Provincial and Territorial Gross Domestic Product by Income and by Expenditure Accounts (also known as the provincial and territorial economic accounts) and is published as Real Gross Domestic Product at Market Prices (chained 2007 dollars). This data is currently available in the Stats Can CANSIM database,

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Table 384-0038. Note that Stats Can table numbers are subject to change. Currently the data is released in November of each year.

Which forecast of Real GDP are we using?

The Economic Stability Mandate will be using the Economic Forecast Council's average forecast for BC real GDP as published in the Ministry of Finance Budget and Fiscal Plan as the comparator for the GDP contingent wage increases.

When is this published?

The Economic Forecast Council typically meets in November or December, with a final survey of Council members being provided to the Ministry of Finance in mid-January. Those forecasts are summarized and published in the February budget document.

Who are the Economic Forecast Council?

The Budget Transparency and Accountability Act require that the Minister of Finance, in preparing the provincial budget, consults the Economic Forecast Council (the Council) on British Columbia's economic outlook. The Council is comprised of at least 10 leading economists from several of Canada's major banks and private research institutions. The Council is considered independent of Province, and as such, cannot be influenced by the Province. That is why their projections are being used as the benchmark.

Who is currently represented on the Economic Forecast Council?

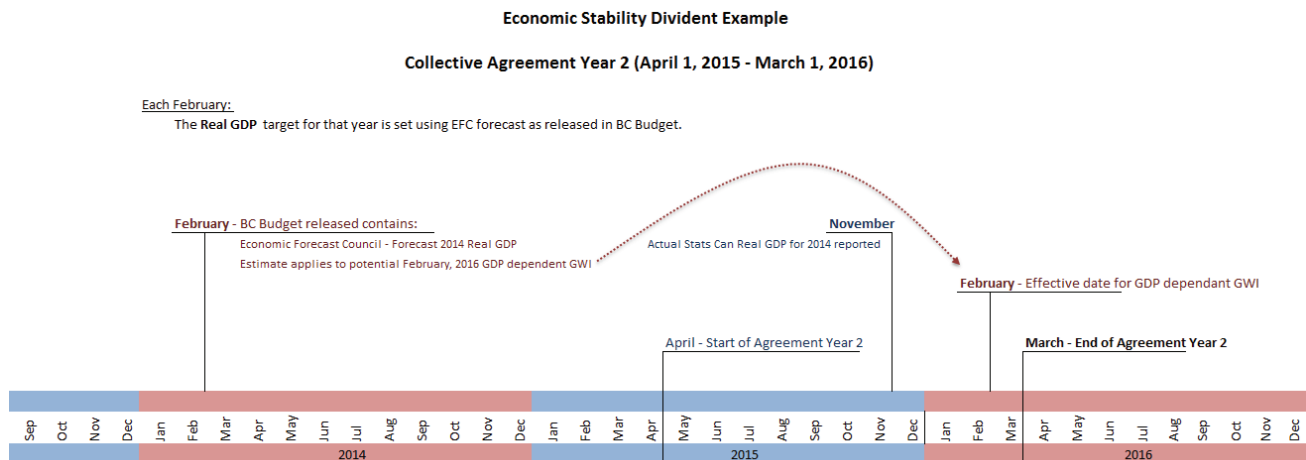
The Economic Forecast Council consists of leading economists from Canada's major banks and private research institutions. As of May 23, 2013, the EFC consists of 13 organizations: BMO, BC Business Council, BC Real Estate Association, CIBC, Central 1 Credit Union, Conference Board, IHS Global Insight, Laurentian Bank Securities, RBC, Scotiabank, Stokes Economic Consulting, TD and Urban Futures Institute.

How will this work?

- In February of each year the Economic Forecast Council's average forecast for BC real GDP growth for that year will be published in the Ministry of Finance Budget and Fiscal Plan. That will set the **Forecast GDP** for that year (the year the budget is published).
- In the following year (currently November) Statistics Canada will publish Real Gross Domestic Product at Market Prices (chained 2007 dollars) in Canada's Provincial and Territorial Gross Domestic Product by Income and by Expenditure Accounts. This will set the **Actual GDP** for the year.

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- These figures will be compared and the Minister of Finance, through the PSEC Secretariat, will direct employer bargaining agents of the GDP contingent GWI that can be awarded.
- The GDP contingent GWI will be effective the beginning of the first pay period in the predetermined month of the collective agreement.
- Should this coincide with another GWI payment, the two GWIs will be added together, not compounded.



Any GDP related increase that is effective February 2016 in the second year of the collective agreement is based on the actual Real GDP results for 2014 that are reported in November 2015.

Note: This is for demonstration purposes only. In the event of a conflict with collective agreement language, the collective agreement will apply.

How susceptible is real GDP to government policy change?

Government policy can influence economic growth through government spending and taxation and as such there would be spill-over effects from a change in government policy as the effects trickle through the rest of the economy, although there may be delays before the full effects are realized. Note that direct government expenditures account for approximately a quarter of B.C.'s real GDP (based on the Statistics Canada economic accounts), but the government sector includes all levels of government (i.e. local, provincial and federal) and includes capital investments and purchases of goods and services.

Can the government affect the EFC forecasts?

No – the EFC are independent of B.C.'s government and use complex economic models to predict Real GDP. The EFC members are selected for their knowledge of the B.C. economy and their expertise in economic analysis and forecasting. An employee of the government reporting entity, other than an employee of a university as defined in the *College and Institute Act*, is not eligible for appointment to the Council.

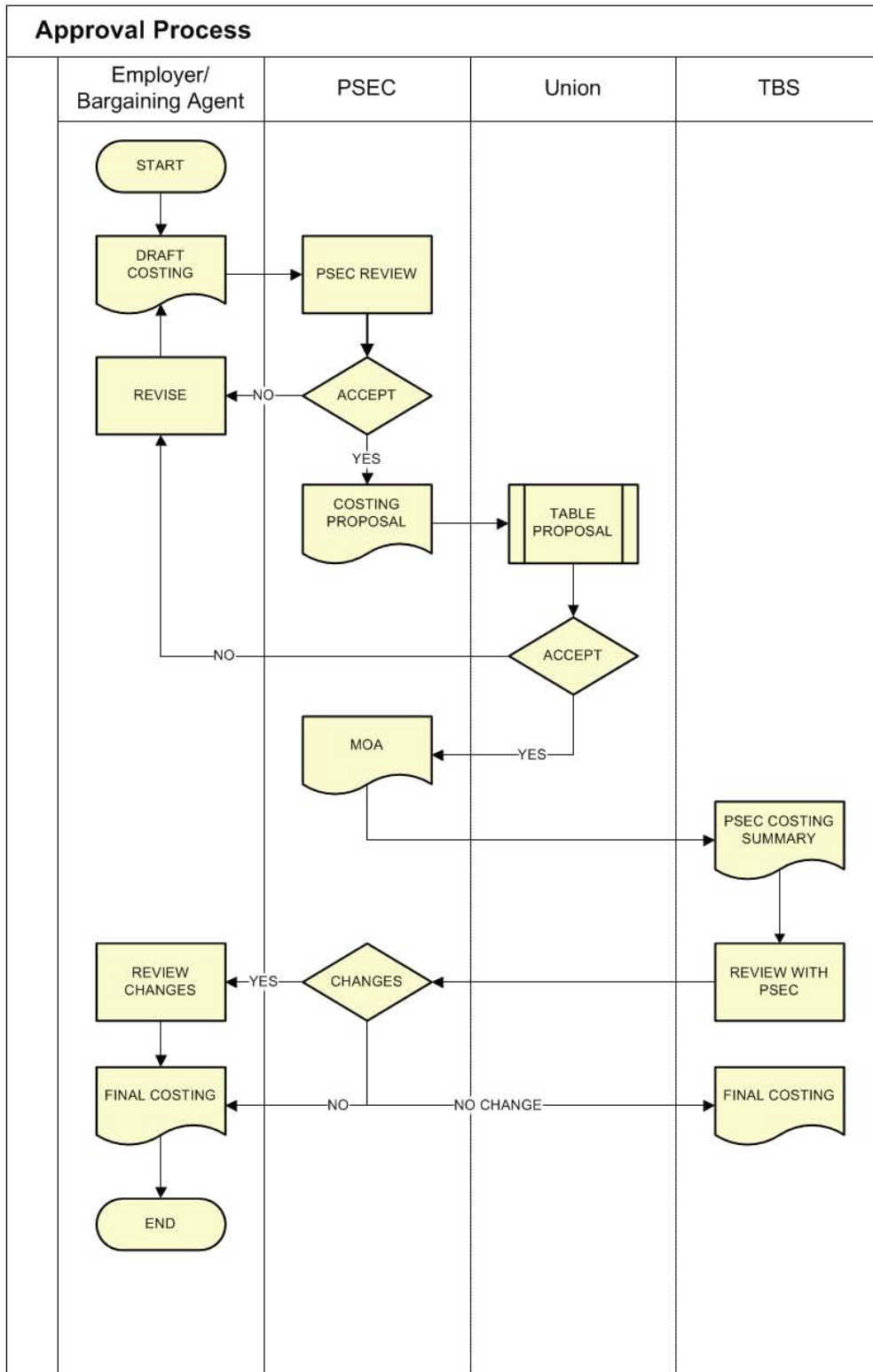
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What about GDP revisions?

From time to time Statistics Canada will revise historical GDP to take account of a more accurate view of prior year's economic growth. The GDP contingent GWIs will not be revised if Statistics Canada updates Real GDP figures for prior years.

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Appendix: Costing Approvals Process



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Collective Agreement Expiries by Quarter and Headcount

Employer & Bargaining Group	Expired	13-Q4	14-Q1	14-Q2	14-Q3	After 14-Q3
BCPSEA & BCTF	42,463					
School Districts and K-12 Support Staff	32,949					
UVic & UVIC Faculty Association	902					
TRU & FPSE - TRU Faculty Association	825					
Capilano University & FPSE - CU Faculty Association	698					
BC Hydro & Allied Hydro Council	465					
UNBC & UNBC Faculty Association	410					
SD 39 & Vancouver Teacher Federation - Adult Education	235					
Selkirk College & PPWC Local 26	222					
SFU & Poly Party	122					
SD 59 & Teamsters Local 31	95					
UBC & International Union of Operating Engineers Local 882	69					
SD 61 & Allied Specialists' Association	32					
SD 57 & PEA	29					
Community Living BC & Union of Psychiatric Nurses and BCNU	14					
BC Assessment & CUPE Local 1767		722				
HEABC & Facilities Bargaining Association			46,679			
HEABC & Nurses Bargaining Association			32,433			
Public Service & BCGEU			26,448			
HEABC & Health Science Professionals Bargaining Association			16,267			
HEABC & Community Health Bargaining Association			15,139			
Ministry of Health & Doctors (BCMA) - Reopener			9,743			
CSSEA & CSSBA (Community Living Services)			8,520			
CSSEA & CSSBA (General Services)			3,010			
WorkSafeBC & Compensation Employees Union			2,509			
BC Hydro & IBEW Local 258			2,023			
UBC & CUPE Local 116 Non Faculty Staff			1,987			
BC Hydro & COPE Local 378			1,964			
UBC & CUPE Local 2950 Non Faculty Staff			1,491			
UVic & CUPE Local 951			1,380			
University of the Fraser Valley & FPSE - UVFVSA			1,305			
SFU & CUPE Local 3338			1,276			
Public Service & PEA			1,226			
HEABC & Resident Physicians (PAR-BC)			1,191			
UVic & CUPE Local 917			1,073			
Kwantlen Polytechnic University & FPSE - Kwantlen Faculty Association			987			
Vancouver Community College & FPSE - VCC Faculty Association			913			
Douglas College & FPSE - Douglas College Faculty Association			757			
Vancouver Island University & FPSE - VIU Faculty Association			755			
Langara College & CUPE Local 15			669			
Camosun College & FPSE - Camosun College Faculty Association			661			
BC Transit & CAW Local 333			648			
TRU & CUPE Local 4879			631			
Public Service & Public Service Nurses Bargaining Association			624			
Langara College & FPSE - Langara Faculty Association			579			
College of New Caledonia & FPSE - Faculty Association of CNC			574			
Community Living BC & BCGEU			443			
BCIT & BCGEU Vocational Faculty			394			
Vancouver Island University & BCGEU Vocational Faculty Local 702			358			
BC Housing & BCGEU Admin/Clerical Division			355			
Okanagan College & BCGEU Vocational Faculty Local 707			333			
North Island College & FPSE - NIC Faculty Association			328			
Okanagan College & FPSE - OC Faculty Association			300			
Emily Carr University of Art and Design & FPSE - ECUAD Faculty Association			278			
Northwest Community College & BCGEU Vocational Faculty			247			
College of the Rockies & FPSE - COR Faculty Association			229			
Northern Lights College & BCGEU Local 710 Faculty			209			
Selkirk College & FPSE - SC Faculty Association			201			
Ministry of Health & Midwives (MABC)			189			
TRU & BCOUFA (Tutors)			183			
CSSEA & CSSBA (Aboriginal Services)			177			
Emily Carr University of Art and Design & CUPE Local 15			161			
UBC & CUPE Local 2950 Chan Centre			156			
Public Service & Judges			146			
BC Housing & BCGEU Maintenance/Service Division			142			
Camosun College & BCGEU Vocational Faculty Local 701			140			
Selkirk College & BCGEU Vocational Faculty Local 709			130			
BC Transit & COPE Local 378			119			
Nicola Valley Institute of Technology & FPSE- NVITEA			103			
Northwest Community College & CUPE Local 2409			85			
Royal Roads University & RRU Faculty Association			62			
WorkSafeBC & Salaried Medical Advisors (BCMA)			33			
Public Service & Judicial Justices of the Peace			13			
Ministry of Health & Osteopaths - Reopener			3			
Langara College & BCNU			2			
ICBC & COPE Local 378				4,593		
UBC & UBC Faculty Association				4,064		
UBC & Association of Administrative and Professional Staff				3,338		
BCIT & BCIT Faculty & Staff Association				2,344		
SFU & Teaching Support Staff Union				1,463		

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Collective Agreement Expiries by Quarter and Headcount						
Employer & Bargaining Group	Expired	13-Q4	14-Q1	14-Q2	14-Q3	After 14-Q3
SFU & SFU Faculty Association				1,287		
UVic & CUPE Local 4163, Component III				964		
UVic & PEA				964		
SFU & Administrative & Professional Staff Association				841		
Douglas College & BCGEU Local 703				740		
Okanagan College & BCGEU				728		
Camosun College & CUPE Local 2081				722		
BCIT & BCGEU Support Staff				699		
Kwantlen Polytechnic University & BCGEU Local 703				560		
Vancouver Island University & CUPE Local 1858				476		
College of New Caledonia & CUPE Local 4951				456		
SD 05 & CUPE Local 4165				440		
UBC Okanagan & BCGEU Non Faculty Staff				403		
Capilano University & COPE Local 378				402		
UNBC & CUPE Local 3799				353		
UBC & BCGEU Childcare				254		
Northwest Community College & BCGEU Local 712 Support				245		
Justice Institute of BC & BCGEU Local 703 Support				220		
North Island College & CUPE Local 3479				212		
Northern Lights College & BCGEU Local 710 Support				184		
Oil and Gas Commission & BCGEU Local 2010				159		
College of the Rockies & CUPE Local 2773				144		
Royal Roads University & CUPE Local 3886				60		
Public Service & Queen's Printer CEP Local 2000 and 525G				54		
Oil and Gas Commission & PEA				27		
UVic & CUPE Local 4163, Components I & II					1,626	
UBC & CUPE Local 2278 - Comp I (TAs)					1,602	
Vancouver Community College & CUPE Local 4627					706	
UBC & CUPE Local 2278 - Comp II (ELI)					68	
Legal Services Society & PEA					6	
Pavilion Corporation of BC & BCGEU						725
Public Service & Crown Counsel - Reopener						502
UBC & CUPE Local 116 - Aquatic Centre						155
Legal Services Society & BCGEU						117
BC Transit & CUPE Local 4500						11
	79,530	722	188,981	27,396	4,008	1,510

Employers' Guide to the 2014 Economic Stability Mandate

Restricted Access Website

This website is a confidential web resource for public sector employers and employers' associations. It provides links to the Employers' Guide to the Economic Stability Mandate, as well as the Labour Relations Reporting System (LRRS) which employer bargaining agents use to submit compensation, demographic, benefit and collective agreement costing surveys.

Employer bargaining agents can gain access to the website by asking the Secretariat for a confidential user ID and password. Employer bargaining agents are responsible for ensuring that confidentiality is maintained.

Website address: <https://pseclrrs.gov.bc.ca>

Login ID: provided by PSEC Secretariat

Password: provided by PSEC Secretariat

First-time users will be asked to accept the Terms and Conditions for Access to the PSEC LRRS.

Employers' associations are free to request access for individual employers or alternatively, are free to copy Employers' Guide to the Economic Stability Mandate and settlement summary materials for distribution in their sectors.

Questions should be directed to Rhonda Smith at 250 356-0229 or by e-mail at Rhonda.M.Smith@gov.bc.ca