

Understanding the permanent wage cut

It's not temporary and it's not a "freeze"

A new law planned for Ontario means a permanent wage cut for hundreds of thousands of hard-working people.

On March 25, Finance Minister Dwight Duncan announced a two-year wage "freeze" for all non-union public employees paid (directly or indirectly) by the province. The minister also said unionized workplaces heading into bargaining will get zero funding for pay hikes - or other improvements - for the first two years of their contracts.

A "freeze" sounds like your wages stay the same. **That's not the case.**

WITH INFLATION AT TWO PER CENT PER YEAR, THE TWO-YEAR "FREEZE" IS REALLY A FOUR PER CENT CUT.

And even if your pay does go up after the freeze is over, those two years of cuts will still mean less money in your paycheque in year three - and every year after. It's a **permanent** reduction.

Some of the people hit hardest will be low-wage, part-time workers in areas like developmental services. Many of these workers barely make \$20,000 or \$30,000 a year. Back in 1993, during the famous "Social Contract," these workers did not have to take pay cuts. In 2010, they will.

On the other hand, the pay cut **won't** apply to public sector managers who get "pay for performance" bonuses. It **won't** apply to private contractors working in the public sector.

At the same time, profitable corporations will get huge tax breaks. In the first three months of 2010, the "Big Six" banks alone made \$5 billion in profits. Thanks to Premier McGuinty, they'll see their corporate tax rate drop from 14 per cent to 12 this year - and then to 10 per cent within three years. That's money corporations can put into fat bonuses for top executives.

The money Minister Duncan saves through wage cuts won't pay for public services, and it won't pay down the deficit. It'll go straight to juicy tax breaks for corporations that don't need them.

We've got a better idea: Forget the wage freeze. Fund public services. **STOP** the corporate tax cuts.

OPSEU members in bargaining will make their own decisions about fighting the wage freeze. No matter what they decide, they'll have the full support of their union - and the Strike Fund if necessary.

**Working people are not the problem
STOP THE CORPORATE TAX CUTS**

