

Questions and Answers for OPSEU members covered by proxy pay equity plans

On April 23, 2003, OPSEU, the Canadian Union of Public Employees, the Ontario Nurses Association, the Service Employees International Union, the United Steel Workers of America, and four individual applicants, came to a settlement on a Charter Challenge for Proxy Pay Equity Funding. We had been scheduled to proceed in Court some time in the fall. However, we entered into mediation with the government and managed to come to an agreement on funding for the next three years.

The settlement makes available to proxy employers who have not achieved Pay Equity, \$414 million dollars to make adjustments for outstanding proxy pay equity plans. In addition to the guaranteed base funding, the agreement covers retroactive base adjustments and pay equity adjustments to the workers.

Following are some questions and answers to assist you.

Who gets the additional Pay Equity money?

Members who work in the following sectors funded by the Ministry of Health and Long Term Care and the ministry of Community, Family and Child Services:

- Long Term Care Facilities
- Long Term Care Community Services
 - Community Care Access Centres
 - Community Support Services
- Community Mental Health
- Substance Abuse
- Community Health Centres
- District Health Councils
- Private Hospitals
- Child Care
- Developmental Services
- Children's Mental Health
- Young Offenders
- Violence Against Women
- Community Support Services (Adult's and Children's)

Who is not covered?

- Agencies funded by other ministries are not covered.
- Agencies offering Public Health Special Programs, AIDS Programs, new Long-Term Care and interim Long-Term Care beds, Homes for Special Care, Domicillary Hostels, and Children's Aid Societies are not covered
- "Rest and Retirement Homes, including those attached or adjacent to Long-Term Care facilities, are not covered. They are considered to be for profit and do not qualify.

How much money is there in the settlement?

The settlement gives \$414 million to proxy employers who have not achieved Pay Equity. This is to pay for outstanding proxy pay equity plans. The agreement also covers retroactive base adjustments and pay equity adjustments to the workers.

How is the funding allocated?

There are three different parts in the Agreement that allocate funding. For each of the three parts, there is a further breakdown of money over three years.

Part 1 - New funding

What is it?

New funding is for pay equity adjustment purposes only

Who gets it?

TPOs (transfer payment organizations) with proxy pay equity plans who have classifications that are not yet at job rate

What is the amount?

- April 2003 to March 2004 – 1% of previous year's payroll
- April 2004 to March 2005 – 1% of previous year's payroll
- April 2005 to December 2005 – 0.75% of previous year's payroll

How does it get used?

It is added to the TPO's base and used to make pay equity adjustments according to the pay equity plan in effect

note:

This funding varies slightly for non-profit proxy Child Care Operators (CCOs) as follows:

- April 2003 to March 2004 – 1% of previous year's payroll
- April 2004 to March 2005 – 0.8% of previous year's payroll
- April 2005 to December 2005 – 0.75% of 0.8% of previous year's payroll

CCOs, through municipal delivery agents, will also be eligible for the additional base and one-time funding outlined in the following sections.

Part 2 – Additional funding

What is it?

It is additional base funding to be used for pay equity adjustment purposes only.

Who gets it?

TPOs (transfer payment organizations) with proxy pay equity plans who have classifications that are not yet at job rate **AND** who have pay equity liabilities from previous year(s) **AND** who have not received base rate funding to make adjustments for the previous year(s).

What is the amount?

- April 2003 to March 2004 – \$40 million
- April 2004 to March 2005 – \$10 million

How does it get used?

If a TPO has outstanding pay equity commitments from previous year(s), it will be eligible to receive the 1% amount that was required for that year. This amount would be added to the TPO's base funding in 2003/04 and/or 2004/05 to raise the base to facilitate payment at the proper adjusted pay equity rates.

If a TPO is more than one year in arrears, will it get a lump sum to bridge the gap?

The TPO may get all of the funds needed in the first year or it may only receive a portion with the remainder paid out the following year.

Part 3 – One Time – Retro

What is it?

It is “one time” additional funding to be used for pay equity adjustment purposes only. It is intended to cover the retroactive money paid to the workers.

Who gets it?

TPO's (transfer payment organizations) with proxy pay equity plans who have classifications that are not yet at job rate **AND** who have pay equity liabilities from previous year(s).

What is the amount?

- April 2003 to March 2004 – \$30 million
- April 2004 to March 2005 – \$50 million
- April 2005 to March 2006 – \$20 million

How does it get used?

If a TPO has outstanding pay equity commitments from previous year(s), it will be eligible for some or all of the amount that was required for that year. That amount must in turn be paid out to the workers who did not receive the required pay equity adjustments for the previous year(s).

If a TPO is more than one year in arrears, will it get a lump sum to allow it to settle the outstanding wage adjustments?

The TPO may get all of the funds needed in the first year or it may only receive a portion with the remainder paid out the following year or over the following two years.

How and when will I get an adjustment?

Your employer will receive instructions about this from its funding ministry. Because the agreement provides for different types of funding and each TPO is different, the TPOs

may well not receive funding at exactly the same time. We expect it will take at least six months before the funds begin to flow to the TPOs.

What role does OPSEU play in ensuring I receive my adjustment?

Your Local Staff Rep, in consultation with your Local will discuss reconvening your Pay Equity committee. Together they will decide when to meet with your employer to review the terms of the pay equity plan in your workplace and the implementation of the agreement, making sure your employer makes the appropriate adjustments.