

You Ought To Know

What are Real Wage Gains and how do they impact Final Offer Selection?

You may have been hearing a lot about real wage gains these past few months. Since all ICI Construction Trades are ramping up for provincial negotiations next year, and because inflation has been high as a result of a multitude of factors, there has been a lot of discussion about wage increases across all industries.

Essentially, 'real wage gains' are wages that are adjusted for inflation, but let's look back for understanding. The IBEW and ETBA started to negotiate the Joint Proposal - a no strike, no lockout agreement - in 1991. Language in the Joint Proposal guaranteed - and still guarantees - union members a 'reasonable' monetary wage settlement. If the parties cannot agree on a reasonable wage settlement, a Final Offer Selector chooses either IBEW's final offer or ETBA's final offer. The Selector realizes that, if the Joint Proposal has a post-negotiated wage adjustment, their award provides a floor for the union and its members. For the past few rounds, the post-negotiated wage adjustment has used eight trades for monetary settlement comparison purposes, with a cap of \$1.00 divided over two years.

Several factors are considered in making the determination of the most reasonable offer. Inflation is always a consideration and, in the last Final Offer Selection decision in 2016, the Selector recognized that over the life of the Joint Proposal (from 1991 to 2015), real wage gains had been 23.23%. This means that wage increases for IBEW members since 1991 were 23.23% higher than inflation. Adding the last 6 years into the calculation, real wage increases have been 21.52%.

The Parties begin provincial bargaining with presentations by two economists. We call this the Duelling Economists. The IBEW CCO hires an economist to provide an outlook for the electrical industry moving forward, and the ETBA does the same. The information presented is used during monetary negotiations, as it was on the four occasions the Parties went to the Final Offer Selector for a decision.

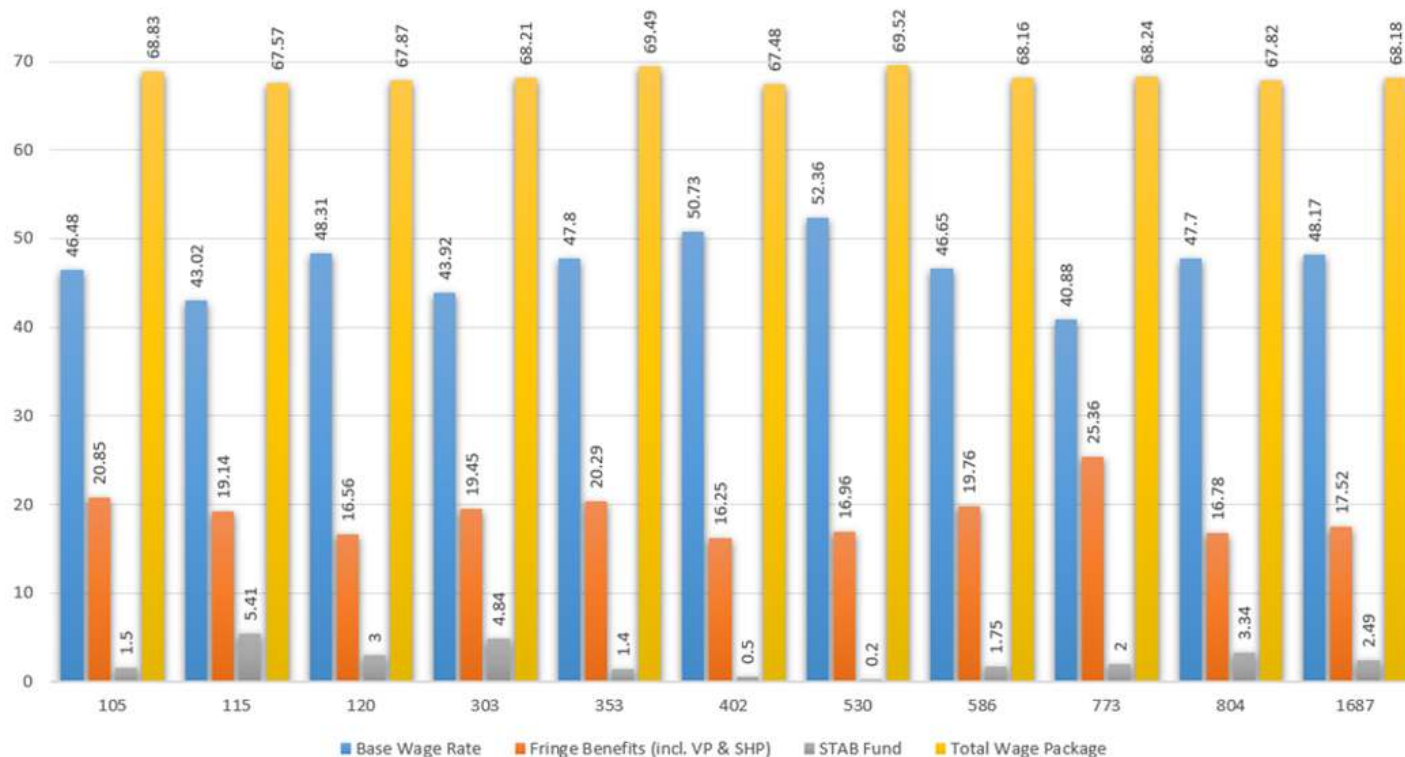
Is a union member always a union member?

According to the IBEW Constitution, an IBEW member cannot be a member of more than one local area. Therefore, if you are moving an IBEW member from their home local to another for a project, they are not a member of that other local. This is when clause 702 of the Principal Agreement applies. A non-resident contractor is permitted to bring in two experienced electrical representatives (i.e. IBEW members) for EACH job or project, and then mobility of up to twenty percent is allowed.

Please note that these mobile IBEW members must get clearance from the Local Union Office where the job or project is situated. Otherwise, a grievance could be filed for having non-IBEW members on your job site. Some areas permit this to be done electronically, and that has been working over the past year. Be sure you know the procedure of each local area in which you work as, other than unpaid dues, these are the grievances we see the most.

What might a wage package look like?

We dusted off an old chart from 1978 that showed the wage packages across the province, and updated it with the current wage packages. There are differences in the wage package amount for each local area because they all had different wages before provincial bargaining was legislated in 1978. The Parties negotiate one monetary wage increase for the entire province to the wage package every three years, not a percentage increase, so the discrepancies in wages between local areas remain. Also, since the Parties negotiate an increase to the wage package, each local and its members determine the base rate, benefits, stab fund contributions, and any other union funds.



Is December 25 a statutory holiday?

Clause 805 states that, if a statutory holiday falls on a Saturday or Sunday, the closest following workday(s) shall be observed. Since Christmas and Boxing Day fall on a weekend this year, the 'observed' statutory holidays are Monday, December 27 and Tuesday, December 28. In addition, New Year's Day falls on a Saturday, so Monday January 3 is the observed statutory holiday.

So, what does this mean to you? If someone works on December 27 or 28 or January 3, treat it as a statutory holiday (double time). If someone works on the weekend (December 25 or 26 or January 1), treat it as a regular weekend. In a lot of cases, weekend work must be paid at double time, but the Yellow Pages has overtime paid at 1.5x from 8am to noon on Saturdays (refer to Clause 804 in Yellow pages for specific language). The Communications Agreement also has overtime paid at 1.5x for the first 8 hours on Saturdays. Some local agreements may also have agreements with 1.5x overtime on Saturdays.

Stay tuned for more!

We'll be publishing You Ought To Know on a regular basis over the next few months – there's a lot more relevant, timely information coming your way. We welcome your questions and content ideas anytime. Contact Jodi Travers, ECAO's Labour Relations Manager, at jtravers@ecao.org.