

news from

# CUASA

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## CONFUSED BY YOUR MAY PAY CHEQUES ?

Many of you have queried the amount of your May 1984 paycheques. Your Association has come to the conclusion that the employer has not calculated the salaries of the CUASA bargaining unit in accordance with the provisions of the Collective Agreement. The dispute over the proper way to calculate 1984-85 salaries will ultimately have to be decided by an independent arbitrator.

Understanding the basis of our dispute with the administration requires a brief review of the history of salary policies at Carleton. Since the first CUASA Collective Agreement which was signed in 1975, salary scales have always been stated in terms of , "nominal" salaries rather than actually paid salaries. In order to assure orderly career progress, adjustments which might temporarily distort a member's salary in any given year (augmentations, such as temporary stipends for chairmen etc. and diminutions, such as reduced sabbatical pay or various forms of partially paid or unpaid leaves etc.) were excluded by establishing a system which provided for a "nominal" salary for each individual during each salary year. This "nominal" salary "is calculated by increasing the previous year's nominal salary by the scale increase called for by the Collective Agreement ( for 1984-85 for example, this scale increase is 5.7%) and then adding the Career Development Increment (CDI) for those qualifying for one, i.e. all those not over the CDI ceiling or not duly denied a CDI. Thus, the formula for the 1984-85 nominal salary for all CUASA bargaining unit members is:

$$1983-84 \text{ nominal salary} \times 105.7 \text{ plus applicable CDI}$$

Any individual's actual salary can then deviate from his/her nominal salary due to particular circumstances. For example, in 1983-84 certain diminutions, NOT anticipated by the parties, affected the salaries paid to certain members as the result of Provincial restraint legislation. The crucial element in dispute between your Association and the employer is just what the 1983-84 nominal salary should be. The formula for the 1983-84 nominal salary appears to be straightforward:

$$1982-83 \text{ nominal salary} \times 1983-84 \text{ scale increase plus } 1983-84 \text{ CDI}$$

It is on the value to be assigned to the scale increase and the CDI in the above formula that we have parted company with the employer. CUASA contends that the Ontario Inflation Restraint Act 1982 only affected " compensation rates" i.e. actual salaries paid during the "control" year. If CUASA is right, the scale increase used to calculate the nominal salary should have been the 8.95% specified by the Collective Agreement and not the 5% to which the actual compensation rate was cut during the "control" year by the Inflation Restraint Act.

Similarly, if CUASA is right, the CDI for employees earning more than \$35000.- should have been included in the calculation as required by the Collective Agreement, rather than being reduced to zero because it was not actually paid during the "control" year.

Thus, essentially, what is in dispute is the interpretation of the proper meaning of the term, "nominal salary" in the Collective Agreement. We have been advised by our legal counsel that this is not a question of the application of the Inflation Restraint Act 1982, nor of the Public Sector Prices and Compensation Review Act 1983, since



neither of these Acts govern our compensation rates after April 30, 1984. In other words, it is the view of our advisors that the interpretation of our Collective Agreement in all matters affecting salaries after May 1, 1984 is outside the jurisdiction of the Inflation Restraint Board and must be resolved by recourse to the arbitration provisions of the Collective Agreement. In a letter dated June 22, 1984 the employer appears to share this view.

In order to obtain the speediest possible clarification of this matter, we have filed association grievances on behalf of all of our affected members and have asked that these grievances be sent directly to arbitration. It is our view that this issue should be settled promptly, and unequivocally, and that only an independent arbitrator can do this. We have been advised by the employer, that they too wish to waive all internal grievance stages and proceed directly to arbitration.

CUASA wants to make it crystal-clear that we are in no way attempting to recoup losses suffered during the control year, nor are we claiming any form of back-pay for 1983-84, for that would be a violation of the Inflation Restraint Act. Naturally, the Act adversely affected our salaries during the "control year" when the employer was required to reduce our pay, although we believe that the administration could have increased the employer's contribution to certain health benefits by the permitted 5%. It is however, our firm conviction that the IRA affected only our actual salaries during the "control" year and left our nominal ones intact as stated in the Collective Agreement.

While one can never be certain of the ultimate outcome of an arbitration (don't spend the money due to you just yet !), we have been advised that the arguments on this issue are balanced in our favour and that we have a reasonable chance of winning at arbitration.

Members of the bargaining unit will, of course, recognize that if we do succeed with either or both of our grievances, this will mean significant increases in lifetime earnings and, perhaps more importantly, will result in higher best-five year averages for calculating pensions. Your executive therefore felt duty-bound to launch and vigorously pursue these grievances on your behalf.

#### CUASA GRIEVANCE FORM

GRIEVOR'S NAME: CARLETON UNIVERSITY ACADEMIC STAFF ASSOCIATION  
DEPARTMENT: \_\_\_\_\_ PHONE: 6387  
HOME ADDRESS: \_\_\_\_\_ PHONE: \_\_\_\_\_

1. NATURE OF GRIEVANCE: Improper calculation of scale increases due on May 1st, 1984 as the result of the employer's failure to include CDs to which employees were contractually entitled under the provisions of the Collective Agreement (though such CDs were not actually payable as the result of the provisions of the Inflation Restraint Act 1982) in the calculation of the base on which the scale increases were to be based.
2. ARTICLE(S) OF AGREEMENT VIOLATED: 41, 45 et al of the collective agreement
3. FACTS OF THE CASE: At the JCAA meeting of October 21st, 1983 the employer formally acknowledged that the intent of the letters sent to employees who had not been duly denied a CDI according to the provisions of the collective agreement, was to inform such employees that they had qualified for a CDI, "but that by virtue of the Inflation Restraint Act no adjustments to salary could be made" (JCAA 5-83/84). The May 30th paycheques of employees failed to reflect the adjustments called for by the collective agreement.
4. REMEDY SOUGHT: Application of scale increase to nominal salary, which according to the collective agreement includes Career Development Increments.
5. RESULT OF INFORMAL STAGE OF SETTLEMENT: Association is prepared to waive all internal stages of this Grievance Procedure for the purposes of this grievance and proceed directly to arbitration.

Signature of Grievor  
Signature of Grievance Officer

Initials (received on behalf of the employer)  
Date

#### NOTES:

1. This form is in quintuplicate. Copy each for Association, CUASA Grievance Administration Committee Chairman, Director of Personnel, Dean and Grievor.
  2. See over for description of Grievance process and guidelines for grievors.
- Copy for the ASSOCIATION

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GRIEVOR'S NAME: CARLETON UNIVERSITY ACADEMIC STAFF ASSOCIATION  
DEPARTMENT: \_\_\_\_\_ PHONE: 6387  
HOME ADDRESS: \_\_\_\_\_ PHONE: \_\_\_\_\_

1. NATURE OF GRIEVANCE: Improper calculation of scale increases due on May 1st, 1984 as the result of the employer's failure to base the calculation of the said scale increases due on May 1st, 1984 on the salaries to which employees were contractually entitled to under the provisions of the collective agreement (although the actual salary payable as a result of the provisions of the Inflation Restraint Act 1982 was 3.95% less than the contractually agreed
2. ARTICLE(S) OF AGREEMENT VIOLATED: 45.2 (c) et al. upon salary scale).
3. FACTS OF THE CASE: Article 45.2(c) of the collective agreement provides that "The nominal salary as of April 30th, 1984 of each continuing employee shall be increased by the average increase in CPI for Ottawa for the twelve months preceding January 1, 1983 less 1.0%". The average increase in the CPI for Ottawa for the twelve months preceding January 1, 1983 was 9.95%. As the result of the application of the Inflation Restraint Act the actual salaries paid to the employees during the control year were, however, increased by only 5%. The nominal salary on which the scale increase due on May 1st, 1984 ought to have been based is, therefore, each employee's nominal salary as of April 30th, 1982 increased inter alia by 8.95% as provided for by Article 45.2 (c). The May 30th paycheques of employees failed to reflect the adjustments called for by the collective agreement.
4. REMEDY SOUGHT: Application of scale increase based on nominal salary, which according to the collective agreement includes a scale component of 8.95% applied to the nominal salaries in effect on April 30th, 1983.
5. RESULT OF INFORMAL STAGE OF SETTLEMENT: The Association is prepared to waive all internal stages of the Grievance Procedure for the purposes of this grievance and proceed directly to arbitration.

Signature of Grievor  
Signature of Grievance Officer

Initials (received on behalf of the employer)  
Date

#### NOTES:

1. This form is in quintuplicate. Copy each for Association, CUASA Grievance Administration Committee Chairman, Director of Personnel, Dean and Grievor.
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## SCHOLARLY ACHIEVEMENT AWARDS - WHY SO MANY CHOICES ?

Members of the bargaining unit receiving Scholarly Achievement Awards may wonder why they are now given three choices:

- (1) \$1000.- now, or
- (2) \$500.- now and \$500.- next January, or
- (3) a \$1000.- research grant.

The answer is taxes. If the award is taken as a single lump sum, either half or all of it could simply be regarded as part of your 1984 income and as such would be fully taxable, indeed it might even be just enough to push you into the next higher tax bracket. The two other alternatives offer you two perfectly legitimate ways of minimizing your tax liability.

The case of the research grant is simple enough. You can charge all legitimate research expenses against this grant, and if these expenses turn out to be equal to or exceed the grant, then no income tax liability will result.

The awarding of two separate \$500.- prizes in different taxation years is suggested by the recent judgment of the Supreme Court of Canada in the case of Savage v. Minister of National Revenue. According to the ruling in this case, awards and prizes not exceeding \$500.- in a taxation year are not taxable (for further details see January 2nd 1984 issue of Financial Times of Canada page 23). The employer has agreed to report these two \$500.- awards on separate T-4A forms and not to deduct income tax from them at source.

Now it's up to you to choose the option best suited to your needs and individual tax situation!

## MORE ERRORS IN YOUR MAY PAY CHEQUES ?

In accordance with the provisions of Article 40.13 b the employer was required to contribute an additional \$100.- to each employee's portion of the cost of certain benefits for the salary year 1984-85. It was agreed by the parties at JCAA that this sum, amounting to \$8.33 per month, would be used to reduce member's OHIP premiums. Unfortunately, the payroll office failed to implement this agreement in time for your May pay. We have now been assured by the employer that the error will be corrected and that the \$16.67 (for May and June) should be added to the amount appearing in the "other earnings" box of your June pay stub.

Notwithstanding the current dispute concerning the basis for calculating your 1984-85 salaries, your May and June pay stubs should contain two distinct increases. In May, the employer is required to add the scale increase, which amounts to 5.7% this year. In June, the CDI for both May and June is to be added. According to the employer's own calculation CDIs for this year are:

Faculty	\$1270.- or \$850.- (above the CDI breakpoint)
Librarians	\$1080.- or \$720.- (above the CDI breakpoint)
Instructors	\$940.-

Please check your pay stubs carefully and advise the CUASA office of any errors or omissions.