



July 15, 2010

## Information Update Collective Bargaining Process

This is for information purposes to try to help explain what the Legal process is for Collective Bargaining in Ontario.

The Union gave notice to bargain on Apr 26th, 2010. We first met the company on May 20<sup>th</sup>, 2010 and began meeting regularly on June 7. We have been in bargaining since that time.

If no agreement is reached,

**We work under the terms of the collective agreement until,**

- Either party asks the Ministry of Labour for a conciliation officer. Conciliation officers are Ministry staff, who helps the parties come to an agreement. **(To date this process has not taken place and the Union would be contacted as soon as US Steel requests these services)**
- If conciliation is not successful, the officer advises the Minister of Labour, who issues a "NO BOARD" report and sends it to each party.
- **17 days** after the date of the Minister's " NO BOARD " report and after the expiry of the collective agreement, at that point, we could be legally locked out. Likewise, the current contract is not in effect, and the company could alter working conditions.

**"NOTE THE LEGAL TIMEFRAMES ABOVE COULD NOT BE REACHED BY AUG 1<sup>st</sup>".**

**We will advise the membership as soon as the process begins and until then we are working under the terms of the current Collective Agreement.**

(over.../2)

## INFORMATION UPDATE 2010 #22 -July 15, 2010

### WHAT DOES IT MEAN GIVE UP INDEXING FOR PENSIONERS?

Coming out of 1990 bargaining, the company and the union agreed to an indexing letter whereby pensioners pensions would be increased each August 1 based on a formula the was based on the Consumer Price Index(CPI) and how well the pension plan performed. We are including a chart which lays out what the percentage increase for each year was from 1991 until 2009(the increases ranged from 0% to 3.1%, and the increases are rolled-in.). We also are including the calculations of what a pensioner who received a \$1000 per month pension in 1991 would receive each year after that. In 2009 this pensioner would be receiving a pension of \$1,366.85. The calculations are done every August 1, the pension is increased and then the company has to fund the pension plan (according to the rules of the Pension Benefits Act) to insure that this increased pension amount is properly funded.

The company wants the union to agree to give up this indexing arrangement, replace it with a % formula, that is not rolled-in, and is not paid out of the pension plan. They are preparing to eliminate indexing altogether for pensioners. This is also what they hope to achieve with their proposal to put all new hires in a defined contribution savings plan instead of a pension plan. Their plan is, even if they don't eliminate indexing for pensions at this time, by the time the next contract rolls around, they are hoping that a majority of the workforce is in a savings plan, and they will just eliminate indexing then.

Just to sum up, using the figures from the chart, pensioners would lose almost 20% of their pension every ten years without indexing. Someone retiring now should do the calculation and see what this would mean for their pension 20 years from now. (This is the worry that every worker has before they retire: what will my pension look like in 20-30 years from now?)

(For more information: call 905-547-1417 or e-mail [rolf.gerstenberger@uswa1005.ca](mailto:rolf.gerstenberger@uswa1005.ca), or visit [www.uswa1005.ca](http://www.uswa1005.ca).)

<b>PENSION INDEXING ON \$1,000.00</b>				
<b>DATE</b>	<b>%</b>	<b>\$ AMOUNT</b>	<b>TOTAL</b>	<b>YEAR</b>
			\$ 1,000.00	
<b>August 1, 1991</b>	<b>3.00%</b>	<b>\$ 30.00</b>	<b>\$ 1,030.00</b>	<b>1</b>
<b>August 1, 1992</b>	<b>3.00%</b>	<b>\$ 30.90</b>	<b>\$ 1,060.90</b>	<b>2</b>
<b>August 1, 1993</b>	<b>1.40%</b>	<b>\$ 14.85</b>	<b>\$ 1,075.75</b>	<b>3</b>
<b>August 1, 1994</b>	<b>0.00%</b>	<b>\$ -</b>	<b>\$ 1,075.75</b>	<b>4</b>
<b>August 1, 1995</b>	<b>2.30%</b>	<b>\$ 24.74</b>	<b>\$ 1,100.49</b>	<b>5</b>
<b>August 1, 1996</b>	<b>1.20%</b>	<b>\$ 13.21</b>	<b>\$ 1,113.70</b>	<b>6</b>
<b>August 1, 1997</b>	<b>1.20%</b>	<b>\$ 13.36</b>	<b>\$ 1,127.07</b>	<b>7</b>
<b>August 1, 1998</b>	<b>0.90%</b>	<b>\$ 10.14</b>	<b>\$ 1,137.21</b>	<b>8</b>
<b>August 1, 1999</b>	<b>1.30%</b>	<b>\$ 14.78</b>	<b>\$ 1,151.99</b>	<b>9</b>
<b>August 1, 2000</b>	<b>1.90%</b>	<b>\$ 21.89</b>	<b>\$ 1,173.88</b>	<b>10</b>
<b>August 1, 2001</b>	<b>3.10%</b>	<b>\$ 36.39</b>	<b>\$ 1,210.27</b>	<b>11</b>
<b>August 1, 2002</b>	<b>0.80%</b>	<b>\$ 9.68</b>	<b>\$ 1,219.95</b>	<b>12</b>
<b>August 1, 2003</b>	<b>2.30%</b>	<b>\$ 28.06</b>	<b>\$ 1,248.01</b>	<b>13</b>
<b>August 1, 2004</b>	<b>2.00%</b>	<b>\$ 24.96</b>	<b>\$ 1,272.97</b>	<b>14</b>
<b>August 1, 2005</b>	<b>1.30%</b>	<b>\$ 16.55</b>	<b>\$ 1,289.52</b>	<b>15</b>
<b>August 1, 2006</b>	<b>2.28%</b>	<b>\$ 29.40</b>	<b>\$ 1,318.92</b>	<b>16</b>
<b>August 1, 2007</b>	<b>1.76%</b>	<b>\$ 23.21</b>	<b>\$ 1,342.13</b>	<b>17</b>
<b>August 1, 2008</b>	<b>1.76%</b>	<b>\$ 23.62</b>	<b>\$ 1,365.76</b>	<b>18</b>
<b>August 1, 2009</b>	<b>0.08%</b>	<b>\$ 1.09</b>	<b>\$ 1,366.85</b>	<b>19</b>