

Public Sector Bargaining:

DETAILS ON THE COMPLETE TENTATIVE AGREEMENT – LONG VERSION

Note: As with other major communications, in the event of differences between the French and English versions, the French version will take precedence.

After weeks of intensive bargaining and consultation with its intermediate decision-making bodies, the Front commun is now in a position to present the details of the proposed comprehensive agreement that will be put to the membership in a series of general assemblies between mid-January and the end of February 2024.

The gains in this central table agreement are in addition to those won at the sectoral tables, which will be described in separate messages.

Term of the collective agreement

The new collective agreement is for 5 years, from April 1, 2023 to March 31, 2028. In October 2022, we tabled a draft 3-year agreement but the government always wanted a 5-year contract. They have had to pay for the last 2 years with pay increases that exceed inflation projections.

In the fifth year, the agreement provides for a 3.5% increase, while projected inflation is 2%. Not since the 1990s have we seen a wage increase so much greater than the inflation projection.

Wages

We have negotiated a 17.4% pay increase over 5 years for all workers in all sectors. But it could as high as 20.4% based on a cost-of-living adjustment of up to 1% in each of the last 3 years of the collective agreement (up to a total of 3.0% over the 3 years).

Thus, on March 31 of each of these years (2026, 2027 and 2028), if inflation for the period April 1 to March 31 has been higher than the parameter for the current year, the mechanism will automatically kick in and close the gap, up to a maximum of 1% per year. Public sector unions have

been trying to negotiate such a mechanism for decades. The last mention of an annual protection mechanism dates back to the '70s.

All government offers were for 5 years. It was 9% in December 2022, 10.3% in October 2023 and 12.7% on December 6, 2023. In the final negotiating blitz, we succeeded in obtaining a leap of more than 4%, taking the offer to 17.4%, in addition to finally obtaining cost-of-living adjustment.

This is the biggest annual increase since 1983 and the biggest increase over the life of a collective agreement since 1979, not to mention the fact that we hadn't obtained a cost-of-living adjustment clause since the '70s.

	1st offer, Dec. 15, 2022	2nd offer, Oct. 29, 2022	3rd offer, Dec. 6, 2023	Tentative agreement
April 1, 2023	3%	4.3%	4.3%	6.0%
April 1, 2024	1.5%	1.5%	2.3%	2.8%
April 1, 2025	1.5%	1.5%	2.1%	2.6% Plus up to 1.0% cost-of-living adjustment on March 31, 2026 if inflation is over 2.6%
April 1, 2026	1.5%	1.5%	2.0%	2.5% Plus up to 1.0% cost-of-living adjustment on March 31, 2027 if inflation is over 2.5%
April 1, 2027	1.5%	1.5%	2.0%	3.5% Plus up to 1.0% cost-of-living adjustment on March 31, 2028 if inflation is over 3.5%
Total	9.0%	10.3%	12.7%	17.4% Plus up to 3.0% cost-of-living adjustment



Note that the agreement provides for a 6% increase in the first year, retroactive to April 1, 2023. So if the agreement is ratified, everyone will get an 8.8% raise as of April 1, 2024 (6% + 2.8%).

Examples of retroactive payments for a full-time employee (to cover the 6% increase)

(for the period of April 1, 2023 to March 31, 2024)

	35 hr / week	37.5 hr / week
\$25 / hr	\$2,739.45	\$2,935.13
\$35 / hr	\$3,836.23	\$4,109.18
\$45 / hr	\$4,931.01	\$5,283.23
\$50 / hr	\$5,478.90	\$5,870.25

Inflation in 2022

Throughout the negotiations, there were lengthy debates about whether inflation in 2022 should be taken into account. The government was categorically refusing to do so.

The government offered a \$1,000 lump sum to cover inflation in 2022. The Front commun's position was clear from the outset: a lump sum is far less attractive than real wage increases. That is why there is no lump sum in the tentative agreement.

The table below shows the pay increases we finally negotiated over many bargaining sessions, compared with actual and projected inflation for each financial year (i.e. April 1 to March 31).

Financial year	Actual or projected inflation	Pay increase
April 1, 2022 to March 31, 2023	6.6% actual	
April 1, 2023 to March 31, 2024	4.3%	6.0%
April 1, 2024 to March 31, 2025	2.3%	2.8%
April 1, 2025 to March 31, 2026	2.1%	2.6%
April 1, 2026 to March 31, 2027	2.0%	2.5%
April 1, 2027 to March 31, 2028	2.0%	3.5%

Cost of living adjustment

In addition to the increases totalling 17.4%, the Front commun negotiated an annual cost-of-living adjustment to protect workers' purchasing power in the last 3 years of the collective agreement (years 3, 4 and 5).

At the end of each of these years, i.e. on March 31, 2026, March 31, 2027 and March 31, 2028, the cost-of-living adjustment will kick in automatically if inflation was higher than the increase in pay.

In other words, if inflation in the previous year (April to March) exceeded the percentage wage increase on the previous April 1, pay will be increased retroactively to March 31.

This annual adjustment can amount to a maximum of 1.0% in each year (so up to a total of 3.0% over the last 3 years of the collective agreement).

The cost-of-living adjustment can only be positive. If inflation is nil or lower than the scheduled pay increases for 2026, 2027 or 2028, salaries will not be adjusted downward. The pay increases of 2.6% (2026), 2.5% (2027) and 3.5% (2028) will apply even if prices fall.

The following table shows a few examples of how the cost-of-living adjustment will work.



Note that the employer has 180 days following the release of Statistics Canada's CPI data for Québec to make the adjustment. No adjustment applies if the difference is less than 0.05%.

March 31, 2026	If inflation was higher than 2.6%	A pay adjustment of up to 1.0% applies	For example, if the inflation rate was 3.0%, a 0.4% adjustment would apply If it was 2.1%, there is no adjustment; the pay increase remains 2.6%.
March 31, 2027	If inflation was higher than 2.5%	A pay adjustment of up to 1.0% applies	For example, if the inflation rate was 3.4%, a 0.9% adjustment would apply.
March 31, 2028	If inflation was higher than 3.5%	A pay adjustment of up to 1.0% applies	For example, if the inflation rate was 5.0%, a 1.0% adjustment would apply (the maximum).

The public-sector unions have been trying to negotiate a mechanism of this type for decades. The last cost-of-living adjustment dates back to the 1970s.

The extraordinary inflation rates in 2022 and 2023 made it possible for us to get this protection. This is a significant gain. Few employment contracts include a cost-of-living adjustment. While it is not described as permanent, this is an important step in that direction.

Annual leave

Entitlement to a fifth week of vacation has been moved up significantly, beginning with the 2024-2025 annual vacation period.

Workers will get 25 days of vacation time 6 years earlier than they do now.

Starting at 15 years of service, workers will get an additional day of annual leave every year, rather than every two years as in the previous collective agreement. This change will take effect for the 2024-2025 vacation period.

This is a major gain, as the government insisted throughout the negotiations that there was no leeway for more vacation time, given the labour shortage. This is the first improvement in annual leave since 1990. The 5th week of vacation after 25 years of service was first introduced in 1979.

Annual leave	2020-2023 collective agreement	NEW collective agreement (2023-2028)
21 days	17 and 18 years	15 years
22 days	19 and 20 years	16 years
23 days	21 and 22 years	17 years
24 days	23 and 24 years	18 years
25 days	25 years and over	19 years and over

Skilled workers

In view of the labour shortage, the attraction / retention premium for skilled workers will be increased from 10% to 15%.

This premium will remain in effect until the 2023-2028 collective agreement is renewed. In other words, it can't be cut until the next agreement comes into force, thereby removing the government's ability to threaten to cancel the premium when the collective agreement expires.

Two new job titles will get the premium:

- **Cabinetmaker/carpenter-cabinetmaker**
- **Refrigeration machinery mechanic**

These improvements will come into effect from date of signing of the new collective agreement.



Insurance

As of April 1, 2024, the annual employer contributions to health insurance required under the collective agreement will increase as follows:

Individual plan	\$150
Employee and dependants (family / single-parent plan)	\$300

For college teachers (FNEEQ-CSN), this establishes a base contribution for the employer for the first time because the employer didn't pay any contribution until now.

Retirement

The Front commun succeeded in negotiating voluntary retention measures for experienced employees.

- An initial progressive retirement agreement may be extended to a maximum of 7 years of progressive retirement. The limit was previously 5 years, with no possibility of extending the initial agreement.
- The maximum age for participation in the RREGOP will be raised from 69 to 71.

To address the Front commun's concern that the RREGOP's steadily increasing maturity will affect the pension plan's funding, it has been agreed to:

- Ask Retraite Québec to evaluate various long-term options for stabilizing the RREGOP contribution rate for our members;
- Establish an inter-union working committee within 90 days after the collective agreements come into force to make recommendations, including changes to the funding method for our pension plan, taking into account the results of Retraite Québec's evaluation.

The Front commun also succeeded in fending off the government's multiple attacks when it comes to retirement.

The government had mounted a two-pronged attack on our pension plan:

1. It wanted to force workers with more than 35 years of service to work until age 57 or have their pensions reduced;
2. It wanted to reduce the pensions of public-sector workers in view of recent improvements to the Québec Pension Plan (QPP).

On October 29, the government abandoned its first line of attack.

On December 6, 2023, it abandoned its second attack. Our mobilization yielded an important win for the entire Québec labour movement.



Psychologists

The Front commun succeeded in negotiating a 10% salary increase for psychologists across the public system, which will count towards pensionable earnings under the RREGOP.

In addition to this increase, there will be a 6.5% premium, in effect until March 30, 2028, for psychologists throughout the public system who work the total number of hours specified for their job title (70 or more hours per 2 weeks).

This increase and this bonus will come into force on the date of signature of the new collective agreement.

Parental rights

The Front commun made some gains on parental rights.

The agreement includes the following changes to the parental rights plan:

- Allow leave without pay or part-time leave without pay to be taken before paternity or adoption leave, but not before the child's arrival at home;
- Add one more day to the maximum 4 days of special paid leave during pregnancy;
- Eliminate the requirement for CEGEP teachers to time their return from unpaid leave to coincide with the start of a semester;

It has also been agreed to form an inter-union working committee within 30 days after the collective agreements come into force to ensure that:

- Inclusive language is used in the section on parental rights;

- Our collective agreements are consistent with the law on surrogacy.

Regional disparities

The government was particularly resistant to the Front commun's demands on regional disparities.

From the government's point of view, the regional disparities scheme is adequate and balanced, and any changes to the sectors would require a re-evaluation of the entire scheme. Any requests relating to regional shortage issues were to be referred to the sector tables, where certain targeted agreements were reached.

From the beginning of the bargaining round to the end, it was firmly opposed to our proposals.

The only step forward is the addition of a food shipping allowance to the health and social services collective agreements for Oujé-Bougoumou. It had been added to the education collective agreements in the previous bargaining round.

Conclusion

In conclusion, here are the key points of the agreement:

- A 17.4% wage increase for all workers, including 8.8% in the first 2 years (6% retroactive to April 1, 2023 plus 2.8% on April 1, 2024), plus:
- A cost-of-living adjustment of up to 1% in each of the last 3 years of the contract (up to a total of 3.0% over the 3 years);
- Entitlement to a fifth week of vacation after 15 years of service and the full 5 weeks after 19 years of service instead of 25 years, i.e. 6 years earlier than before, all effective as of the 2024-2025 annual vacation period;
- From the date of entry into force of the new collective agreement, an increase in the attraction / retention premium for skilled workers from 10% to 15% and extension of the measure to 2 additional job titles to address the labour shortage;
- An increase in employer health insurance contributions required under the collective agreement starting in April 1, 2024, which for some employees will mean employer contributions for the first time;
- From the date of entry into force of the new collective agreement, a 10% salary increase that counts towards pensionable earnings under the RREGOP for psychologists throughout the public system, plus a 6.5% premium for those who work the full number of hours specified for their job title;
- Voluntary retention measures for experienced employees;
- A number of other important improvements, including those in your sectoral agreements with regard to working conditions and conditions of practice specific to your sector, will be presented to you alongside the central table agreement. The Front commun's central table agreement and the agreement reached at your sectoral table must be taken as a whole in considering the renewal of your collective agreement.

Now it's up to the membership

A round of general assemblies will begin shortly at the 300+ unions. The 420,000 workers represented by the Front commun will have the final say on the proposed agreement.

You be the judge. Here's to a fruitful discussion. Solidarity!

