



Elimination and Reduction of the Living Cost Differential in the Yukon

Background

- Most Northern workers are paid a wage that is based on regional economic market forces. The higher costs of living in a northern region are compensated through a higher wage scale than their southern counterparts.
- Federal workers' pay scale is based on a national rate of pay with a combination of formula-based benefits added on. The allowances are designed to balance the Northern wage rates with those of their Southern colleagues.
- The allowances are given to northern and isolated posts to maintain a competitive advantage in recruiting and retaining workers to/in the North who are skilled and experienced in the federal governance environment.
- In August 2005, the employer for federal workers in the North announced the elimination of the Living Cost Differential (LCD) component of the Isolated Post Allowance for employees in Whitehorse, Yukon.
- Workers in the rural communities of the Yukon had their benefits severely reduced, two full levels in most cases.
- Intense lobbying by workers in the Yukon, on the federal government and the specific authority, National Joint Council, supported by mass grievances by unionized workers has only succeeded in a delay of the implementation for the Whitehorse employees.
- Rural community workers are having to bear the full brunt of the cut, many in Customs and the civilian RCMP are experiencing it now.
- In total, the cut will affect about 800 employees in the Yukon, ultimately affecting every federal service, corporation and agency.

Impact on federal workers and the local economy

- Federal workers will see a reduction anywhere from 5% to 25% in their take home pay. This is equivalent to \$5,704 per year for workers with families, and \$3,244 for those who are single.
- This reduction amounts to \$275 to \$420, per month, for each employee.
- The cut represents an estimated \$3.5 million annually to the Yukon's economy
- Local economic development, First Nations Self government and Comprehensive Land Claim Agreements, a relatively faster population growth, the Northern Sovereignty initiatives, and increasing demands for modern technology and infrastructure all call for more federal government programs & services. However the cuts to the LCD seriously compromise the federal government's ability to recruit and retain skilled and experienced workers in the Yukon, who will be needed to carry out these programs and services.
- The Federal government needs to do more, not less, to attract and keep front line workers who will provide federal services in the Yukon, including Whitehorse. The elimination of the Living cost Differential does just the opposite.
- Federal workers perform essential and important public services to Canada and the Yukon. The federal employees living and working in the Yukon greatly contribute to the local

economy. We want the federal government to recognize the economic realities of living in the Yukon and to compensate us fairly.

What have We done

- We have met with the President of Treasury Board and our Member of Parliament to discuss impacts and affects of these cuts.
- Collectively we have sent individual written impact statements to the Treasury Board President to show how this cut personally affect us.
- We have lobbied the National Joint Council on both the Union and Management sides to try and impress on them negative results of this decision. This included explaining where the formula basis is technically flawed, uses inappropriate comparatives and fails to support two of its key objectives.
- We have met with the most Senior Union Executives to provided them concrete information and data; to ensure they are fully aware of the impacts and our need for support.
- We have coordinated efforts with local senior management through the Yukon Federal Council, who recognize where these cuts undermine their recruitment & retention positions and the resulting negative financial impact on staff.
- We have filed Mass Grievances and successfully had them fast tracked through a notoriously slow system. At the moment at least two of the mass grievances have been pushed through to the final, National Joint Council level, where people in a position to change the decision can hear them.

Results

- So far, a mitigation plan for Whitehorse, which completely lost the LCD benefit, has had the reductions spaced out over time. This response was not a locally recommended or sanctioned option and seems to have come about as 'the only existing tool available'.
- The rural communities who had the allowances reduced but not eliminated did not receive this option, and as a result many are facing those cuts now.
- We have a couple of our mass grievances at the National Joint Council level.

What can We do

- Actively support your grievances.
 - collect any relevant information and forward it to your union representative
 - regularly ask your managers where they are in the process and why they haven't made it to the NJC level
- Keep informed
 - The Isolated Post Allowance and government Housing Directives are under going the 3 year cyclical review right now.
 - http://www.tbs-sct.gc.ca/pubs_pol/hrpubs/ipgh-dpill/ipghd1-1_e.asp
 - Keep in touch with the PSAC North Region website for updates
 - <http://www.psanorth.com/>
- Its Election Season
 - We represent about 800 votes.
 - Ask what their party's position is on the federal public service
 - Ask if their party has a position is on federal employee compensation.
 - Tell the federal candidates what this cut means to you
 - Ask what specific and concrete actions the candidate will personally commit to, to make sure the federal government recognizes the higher cost of living in the North and compensate its workers accordingly
- Be Ready
 - Your personal active support may be necessary