Dear Prime Minister,

We, the bargaining agents for over 225,000 federal public service workers, are writing to mark the second anniversary of your government's ill-fated decision to launch the Phoenix pay system. Following the initial launch in February of 2016, your government continued with the rollout despite the immediately evident problems and our collective plea that you suspend until these problems were addressed. Two years later, it is our members who continue to suffer the burden of your failure to listen.

We hope this experience has taught you that listening to your employees, and the unions that represent them, is critical to the successful operation of the federal public service. We urge you to learn from the mistakes, made by both your government and the previous Conservative government, that led to the Phoenix debacle. It is a cautionary tale of the contracting out of public service work.

Canada's federal government employs one of the country's largest contingents of computer scientists and IT specialists. However, when the former Conservative government contracted IBM to implement a modified version of People Soft, which came to be known as Phoenix, the expertise of these workers was not engaged or leveraged.

Pay "modernization" for the federal public service not only included the introduction of this new program, it also consolidated the administration of pay for over 45 departments and agencies. Through this consolidation, initiated by your predecessors, one thousand experienced compensation advisor positions were eliminated. They were replaced with a substantially reduced staffing compliment, based in Miramichi.

The failure to utilize the in-house capacity and expertise of the workers who both designed, serviced and administered the former pay system has proven to be disastrous. It is evident that federal public service workers are best equipped to pay our country's largest workforce: the federal public service.

During the 2015 election, you promised to respect federal public service workers. We believe you can still live up to this commitment. But to do so, your government needs to present a clear plan to utilize and rebuild pay roll capacity in the public service. Our members, your employees, deserve to be paid correctly and on time for the work they do. We ask that you work with them to rebuild a pay roll system that can do just that.

In the mean time, considerable suffering and hardship continue to be endured by our members as a result of Phoenix, and the half-measures implemented by your government in response. We wish to draw your attention to one of the most pressing matters: the recovery of overpayments. For overpayments not addressed within the same calendar year, an employee is responsible to repay the gross amount, which they never actually received. This is to be done with the expectation that the employee will receive the difference between the net amount and gross amount in a future tax return.

We object to the inequity of requiring employees to repay more than they received, and are concerned with the likelihood that many cases will not be resolved with a tax return. While your government has taken some steps to address this, the current plan falls substantially short of what is needed to protect our members from undue financial burden from a problem they did not create.

Therefore, we ask that your government grant a remission order to exempt federal public service employees in receipt of overpayments from repaying the gross amount and only require them to pay the net - the same amount they actually received.

Finally, it is imperative that your government provide damages to make our members whole, above and beyond the current claims process for out-of-pocket expenses. This is for the many hardships Phoenix has caused, including untold stress and the time spent dealing with their pay problems. Our members no longer have any confidence in the pay process thanks to Phoenix. We ask your government to accept that it owes its employees compensation for the suffering they have endured and continue to face.

Every day our members continue to provide Canadians with the reliable and critical services they need, despite an employer that cannot pay our members correctly for their work. The recommendations we have outlined in this letter provide a fair and reasonable path forward. It is our hope that you move quickly to implement them.

Sincerely,

Robyn Benson National President

Public Service Alliance of Canada ("PSAC")

**Greg Phillips** 

President

Canadian Association of Professional Employees ("CAPE")

Jacqueline Pygiel Acting President

Carquely

Unifor Local 2182

Marine Communication Traffic Services Officers

Cathie Fraser

President

Research Council Employees' Association

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Mark Boucher National President Canadian Merchant Service Guild



Greg McConnell
National Chair
Canadian Federal Pilots Association



Ursula Hendell
President
Association of Justice Counsel



Richard Cashin National President Federal Government Dockyard Chargehands Association



Des Rogers President Federal Government Dockyard Trades and Labour Council (West)



Debi Daviau President the Professional Institute of the Public Service of Canada ("PIPSC")



Paul Cameron
Business Manager/
Financial Secretary
International Brotherhood of Electrical
Workers Local 2228



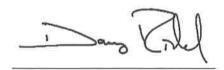
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