

## **Serious Problems with the Federal Government's New Pay System - April 2016**

As an austerity measure prior to last fall's federal election, the government introduced a plan to eliminate the work of thousands of compensation advisors and payroll personnel employed across Canada and to replace them with a workforce ¼ the size located in Miramichi New Brunswick.

All federal government unions, including the Guild, anticipated serious shortcomings with the plan and advocated aggressively for delays and improvements prior to launching the new pay system. We had a few successes and a number of changes and improvements were incorporated into the new pay system prior to the roll-out. However, despite these steps, the new pay system has been a failure for many public service employees, including Guild members. Curiously, the employer has named the new system "Phoenix". In Greek mythology, a phoenix is a bird that dies in a show of flames and combustion and decomposes before rising again from the ashes of its predecessor. That description does not inspire an image of a smooth transition.

The conversion to the new pay system has been riddled with problems. Guild members have raised serious issues which we have been aggressively addressing with all levels on the employer-side at DND and Coast Guard. At a recent meeting with the Coast Guard Commissioner we have raised all the pay issues that have been raised by our members. While a number of problems still remain outstanding, some have been recently addressed after the employer assigned a team in Ottawa to work long hours in an attempt to fix the multitude of shortcomings in the new pay system. Heads of Bargaining Agents have also met with the Deputy Minister of Treasury Board to keep pressure on the employer to recognize pay as a priority issue and to assign additional resources to this matter.

The Guild has submitted the following list of problems to the employer:

- Many members have not been entered into the new pay system under the correct "Appendix" or work system and consequently their pay is being short-changed by a number of hours worked each week. After significant pressure from the Guild, the employer is attempting to correct this in the coming weeks.
- Cadets are not being paid while on their sea phase in accordance with the collective agreement.

- The Guild is concerned that there could be an impact on some members' credit ratings if they fall behind on their bills at home due to not being paid properly.
- Many members have not been paid overtime or acting pay for months. Should members continue to perform these duties if the employer assigns no priority to ensure payment within a reasonable amount of time? Many grievances have been submitted on the issue of overdue payments.
- In many cases, allowances, which in the past were paid on the same basis as regular pay, are not being paid at all.
- Contacting the new pay centre in Miramichi using the phone numbers provided is often difficult or impossible.
- There may be access to emergency funds, however the timing for the Crown to subsequently recover these funds is unclear.
- It is difficult or impossible for many members to determine whether or not the amount of the payment received by direct deposit is the correct amount.
- Since the employer has eliminated paper pay stubs, it has become difficult or impossible in some cases, for members to obtain an accurate accounting of their pay.

#### Recent Information & Update:

- the employer intends to try to provide a code so that employees will be able to access their pay stubs through the Canada Post e-post system.
- the employer intends to increase the priority for payment to cadets for their sea phase work and for all allowances.
- the employer has committed to assign a team in Miramichi by the first week of May to deal specifically with "operational" personnel such as Guild members, as opposed to admin. personnel and managers who apparently have been having less problems with the new pay system.
- for members who have incurred bank charges for NSF cheques, interest, etc. as a result of not being paid properly by the employer, there will be a process for the federal government to reimburse these charges.
- Members who become aware that their credit rating has been impacted, should contact the Guild to obtain assistance to ensure that their security clearance is not affected by this debacle.
- Members suffering serious difficulties or financial hardship as a result of the employer's new pay system should contact the Guild to request the escalation of their particular case to the highest level on the employer-side.