

Pay equity today

YOUR PAY EQUITY NEWSLETTER



THE PAY EQUITY AGREEMENT: HISTORY IN THE MAKING

As a woman in politics, I am particularly concerned with certain issues. Not only was pay equity at the top of my priority list, but reaching the pay equity agreement in itself motivated my involvement in politics. With this agreement, we will be witnessing history in the making as more than 360,000 workers – a large majority of whom are women – will finally receive pay equity adjustments.

Ten years after the enactment of the Pay Equity Act, this agreement will help us make up for past injustices, as well as recognize the full value of the work performed by these employees and establish equality between men and women as set out in both the Canadian and the Québec Charter of Human Rights and Freedoms. We can only be proud of this achievement.

The agreement is consistent with the Law and with the pay equity principle to which we fully adhere. It is also the result of a rigorous process that was conducted with the highest degree of integrity.

Our government has been consistent in seeking to advance pay equity negotiations. In January 2004, it was decided not to appeal the Supreme Court decision invalidating Chapter IX of the Act. Then we amended the Law on two occasions, the most recent of which occurred last May with an amendment to guarantee a single rate of pay for the same job class, regardless of union affiliation.

After years of discussions, countless meetings with the unions and millions of dollars invested in implementing pay equity, we can finally say “mission accomplished!”



Not only was pay equity at the top of my priority list, but reaching the pay equity agreement in itself motivated my involvement in politics.

SALARY ADJUSTMENTS: \$825 MILLION PER YEAR

The Pay Equity Agreement, which was reached last June, provides for an average salary adjustment of 5.97% in the health and education sectors and 5.04% for public service employees. The government has set aside \$1.5 billion to cover retroactive adjustments for the period spanning from 2001-2002 to 2006-2007. In other words, these adjustments represent an additional \$825 million per year in payroll expenditures. In the health and education sectors, as many as 95% of the women concerned will receive a salary adjustment. This should not be considered a gift, but rather an income to which these workers are entitled.

Since these adjustments represent large sums of money and given that public finances are always precarious, the Québec government requested permission from the *Commission de l'équité salariale* to spread salary adjustments over seven years rather than four years. However, these adjustments will continue to be retroactive to November 21, 2001.

Lastly, I would like to extend my gratitude to all the workers for their patience and to the unions for their continued cooperation. I would also point out that the unrelenting support of our premier, Mr. Jean Charest, was a key factor in this successful outcome after years of hard work and delays.

Today, your contribution as a government employee is fully recognized. Today, Québec stands tall.

Monique Jérôme-Forget
Chair of the Conseil du trésor and Minister responsible for
Government Administration



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PAY EQUITY MEANS:

- ▶ paying the same salary for jobs that are traditionally held by women as the salary that is paid for jobs that are traditionally held by men...
- ▶ even if these jobs are different...
- ▶ as long as they are considered to be equal in value.

IN ACCORDANCE WITH THE PAY EQUITY PLAN,

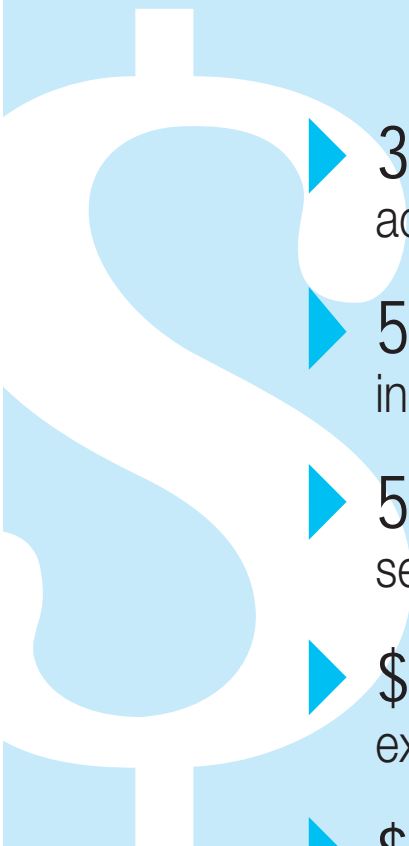
the government is adding a recurring amount of \$825 million to its payroll expenditures.

▶ EXAMPLES OF SALARY ADJUSTMENTS FOR EMPLOYEES AT THE TOP OF THEIR SALARY SCALE

JOB CATEGORY	SALARY ADJUSTMENT	RETROACTIVE AMOUNT FROM NOVEMBER 21, 2001 TO MARCH 31, 2007 (\$)	RECURRING COST (\$) ⁽¹⁾
Office Clerk Class 1 (parapublic)	5.92 %	\$ 3,931	\$ 1,918
Family Auxiliary	10.68 %	\$ 5,447	\$ 3,233
Educator and Special Education Technician	11.01 %	\$ 8,909	\$ 5,500
Nurse	9.39 %	\$ 9,365	\$ 4,880
Nursing Assistant	8.50 %	\$ 5,534	\$ 3,329
Beneficiary Attendent	6.38 %	\$ 2,976	\$ 2,005
Information Clerk, nominal class	6.32 %	\$ 3,807	\$ 2,429
Hallway Supervisor	6.38 %	\$ 2,873	\$ 1,936
Medical Technologist	5.00 %	\$ 4,901	\$ 2,392
Rehabilitation Technician	11.01 %	\$15,586	\$ 8,858
Cultural Officer	1.84 %	\$ 2,461	\$ 1,173

(1) On the basis of March 31, 2007

PAY EQUITY FACTS

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- ▶ **360,000** workers will receive salary adjustments
 - ▶ **5.97%** is the average salary adjustment that employees in the health and education sectors will receive
 - ▶ **5.04%** is the average salary adjustment that public service employees will receive
 - ▶ **\$825 million** will be added annually to payroll expenditures
 - ▶ **\$1.5 billion** have been set aside to cover pay equity adjustments
 - ▶ **\$8 billion** have already been paid in adjustments since 1990 in the public and parapublic sectors

When Will Salary Scales Be Adjusted?

The Pay Equity Agreement provides for adjustments that will apply retroactively to salaries earned since November 21, 2001. In other words, salaries should have been adjusted from that date on. Therefore, salary adjustments shall be retroactive and the amounts paid to the workers shall bear interests. **The government wants to pay the retroactive amounts for the 2001 to 2006 period in March 2007.**

As for the applicable salary rates and scales, the government intends to adjust them as early as December 2006.

Why not pay salary adjustments right away?

The government must take into consideration **the magnitude of the work to be accomplished in calculating these adjustments:**

- The government must provide salary adjustments for more than 360,000 workers in 163 different job categories.
- The government has to revise more than 300 salary rates and scales.
- The pay equity adjustments cover a five-year period and calculations must take into consideration overtime work, salary premiums, maternity or sick leave benefits, movement of personnel, interests, etc.
- As for retired employees, it may be necessary to adjust the amount of their pension benefits if the pay equity adjustment affects their “best-five year average salary” calculation.

Other pay equity plans will be implemented soon and should concern nearly 30,000 workers. These include public service and parapublic sector executives, as well as peace officers.



WHY SPREAD OUT SALARY ADJUSTMENTS OVER SEVEN YEARS?

A responsible government must make sure that its actions will meet clear objectives without however compromising other priorities. It goes without saying that, sometimes, difficult choices need to be made.

The government must also make sure that its actions are consistent with the Balanced Budget Act, which was adopted by the National Assembly, as well as respect the need to maintain taxation at competitive levels in order to promote job creation, investment and innovation.

According to the general rule of the Pay Equity Act, salary adjustments are to be spread out over a four-year period. **This spread out allows the government to allocate the adjustments without changing the retroactive payment date, which is scheduled for March 2007.** However, considering how much money will be disbursed to comply with the Pay Equity Agreement reached last June, the government does not have the financial capacity to spread out these adjustments over a period of only four years. In fact, the government has already done a lot for its employees and for many years we have played a leadership role in addressing pay equity issues.

To achieve pay equity, the government had already planned to spend an additional \$457 million per year in payroll expenditures. In actual fact, these additional expenditures will amount to \$825 million per year. The difference is enormous. If salary adjustments were to be spread out over four years, we would face a budgetary deadlock as the government would need to absorb an extra \$1 billion for the 2006-2007 financial year. This is why the government consulted with all the unions to inform them of its decision to request that payment of salary adjustments be spread out over seven years. Realizing how much money was involved, the major labour organizations notified the government that they would comply with the decision of the *Commission de l'équité salariale*.

Consequently, the government requested permission from the *Commission de l'équité salariale* to spread out pay equity adjustments over a seven-year period rather than four years, **however the effective date of the retroactive period remains November 21, 2001 and the payments shall bear interest.** This will allow the government to comply with both the Pay Equity Act and the Balanced Budget Act.



ACCORDING TO THE PAY EQUITY ACT:

Salary adjustments may be spread out over a maximum period of four years (Article 70). However, an employer who demonstrates that he is unable to pay the adjustments in four years is authorized to extend by a maximum of three years the period over which the adjustments are spread (Article 72).



HIGHLIGHTS

PAY EQUITY IN THE PUBLIC AND PARAPUBLIC SECTORS

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| 1976 | <ul style="list-style-type: none">– Québec is the first Canadian province to recognize the principle of equal pay for equal work in the Québec Charter of Human Rights and Freedoms. |
| 1990 | <ul style="list-style-type: none">– A first series of salary adjustments is granted through what will later be known as the “Government Pay Relativity Plan.” |
| 1996 | <ul style="list-style-type: none">– Adoption of the Pay Equity Act and creation of the <i>Commission de l'équité salariale</i>. |
| 1998 | <ul style="list-style-type: none">– The <i>Conseil du trésor</i> submits its Government Pay Relativity Plan to the <i>Commission de l'équité salariale</i>. |
| 2000 | <ul style="list-style-type: none">– Several agreements are reached between the government and the labour organizations in order to revise the provisions of the Government Pay Relativity Plan.– The <i>Commission de l'équité salariale</i> declares that the Government Pay Relativity Plan goes against Chapter IX of the Pay Equity Act with respect to estimating wage disparities. |
| 2001 | <ul style="list-style-type: none">– The government proposes a new method for assessing jobs.– In order to conform to the Pay Equity Act, the government submits the required amendments to the <i>Commission de l'équité salariale</i>.– The prescribed salary adjustments are to be paid effective November 21, 2001. Delayed payments shall bear interest. |
| 2002 | <ul style="list-style-type: none">– Agreement in principle with the union confederation (FTQ, CSN, CSQ, FIIQ and SFPQ) concerning the new job assessment system and the related survey questionnaire.– Decision of the <i>Commission de l'équité salariale</i> proclaiming that the Government Pay Relativity Plan, with regard to Chapter IX, is consistent with the Pay Equity Act. |
| 2003 | <ul style="list-style-type: none">– Filing of the first job category assessment concerning more than 300,000 workers.– The first salary adjustments as prescribed under the Government Pay Relativity Plan are paid to employees covered by the Plan, these adjustments being retroactive to November 21, 2001. |

2004

- Chapter IX of the Pay Equity Act is declared unconstitutional by the Québec Superior Court, forcing the government to resume discussions on pay equity.
- The government submits a proposal to the labour organization for resuming discussions.
- The government submits to the union confederation a new job category assessment proposal which concerns more than 300,000 workers.
- The union confederation requests a unique and distinct plan for its members.
- Introduction and adoption of an Act to Amend the Pay Equity Act to allow several certified associations to regroup in order to request the creation of a distinct plan.
- The SFPQ creates a Pay Equity Committee.

2005

- The union confederation (CSN, CSQ, FIIQ and FTQ) creates a Pay Equity Committee while six other committees are also created (APTS, CSD, INDCS, SPDNQ, SPGQ-CS, SPGQ-COLL).
- First posting of results by the union confederation committee.
- The SPGQ creates a Pay Equity Committee.
- Second posting by the union confederation for the job categories that include the most workers.
- First posting of results by three committees (APTS, CSD, INDCS).
- The government submits to the union confederation a third job assessment proposal which concerns more than 400,000 workers.

2006

- Introduction and adoption of an Act to Amend the Pay Equity Act to deal with certain constraints pertaining to the implementation of pay equity. *Among other things, this Act stipulates that, in the parapublic sector, a single pay equity plan shall cover unionized and non-unionized workers in the same job category. **This will allow the implementation of a single salary structure and avoid having different salary adjustments in a given job category, which would have been the case if the jobs in a category had been covered by several pay equity plans.***
- Creation of the parapublic sector Pay Equity Committee comprising 11 employee representatives and five government representatives.
- First posting of the new pay equity plan for the parapublic sector.
- The government submits to the union confederation a fourth job assessment proposal which concerns more than 400,000 workers.
- Third union proposal covering more than 400,000 workers.

- The historic agreement on pay equity is reached in June 2006

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today

Secrétariat
du Conseil du trésor

Québec

