

An Overview of TEAM's Proposals As at June 5th, 2013

The following is a snapshot of the status of our proposals; it is not necessarily a final position as negotiations are ongoing. To be clear, this is not an offer on which you are being asked to vote.

Base Pay: Our opening proposal of 4% a year for 2013-2015 was based on the cost of living catch up for 2010 and 2011 when we had no wage increases. Since 2010 the buying power of our wages has been eroded by inflation and has not kept pace with other wage settlements, including those in other MTS bargaining units. A comparison of our pay adjustments over the period of 2010-2012 against inflation and other pay settlements is available [here](#).

Base pay is income you can rely on to buy a house, book a vacation and support a family. An increase in base pay increases your retirement income, ESOP contribution, sales bonus payout, overtime pay, duty manager pay, life insurance coverage, Long Term Disability income, maternity/adoption leave top-up, VRTIP and severance amounts, and your VPP payouts.

The proposal now stands at 3.5%, 3.5%, 3%.

VPP to Base: Compared to base pay, variable pay has many disadvantages and few advantages. VPP is a poor substitute for base pay. Our goal is to boost members' base pay by an amount that results in no increase in costs to MTS or loss to our members. In 2007 the CAW in MTS Allstream negotiated a 1% reduction in their VPP for an increase of 1% on their base.

Benefits: We have proposed several options to the Company to improve the benefits package, including a Health Spending Account and increased contribution to the Blue Cross plan. Both proposals open the door to a vision care plan. CEP members who use a computer screen receive \$65 bi-annually for eye tests.

A Health Spending Account would be available to everyone in our bargaining unit for vision care or other health related purposes. We have reduced our initial proposed amounts from \$350 to \$250 per year for full-time employees and \$175 to \$125 per year for part-time employees.

Increases in the amount the Company contributes to the Blue Cross plan will only benefit employees in the plan. With the agreement of the Joint Benefit Committee members the additional funding will be used for a vision care plan enhancement. Currently, employees pay 93% of the Blue Cross premiums, we propose reducing that to 85%.

We also proposed making the benefit plans part of the Collective Agreement to better protect against the removal or changes to benefits without negotiating with TEAM. Although we initially proposed that all of the benefit and insurance plans should be included, we have reduced this to just the Blue Cross and Dental plans. It is very common for benefit plans to be included in a Collective Agreement. Both IBEW and CEP have the dental plan referenced in their agreements.

Hours of Work: Feedback and complaints from members have made it clear that MTS has developed a culture where TEAM members feel compelled to work unpaid overtime, in some cases more hours than the Canada Labour Code permits. Members report that the long hours are seriously impacting their health and home life. MTS has acknowledged that our members work these extra hours, and that they appreciate it.

It is important that our members know their rights under the law, not only to protect themselves, but also the Company. TEAM has presented the Company with two Hours of Work related proposals:

19.03.1 In accordance with the Canada Labour Code, the maximum number of hours worked by an employee shall not exceed 48 hours per week, except for circumstances outlined in Part III of the Code.

21.01 ~~When an employee is authorized~~ **the Company requires or permits an employee** to work beyond the normal work day, such additional hours shall be considered as overtime and will be compensated for at the ~~applicable overtime rate~~ **of double time for all hours worked.**

Minimum Call-out: Prior to a recent [arbitration decision](#) MTS paid a minimum of two hours call-out. MTS has advised us that at the conclusion of these negotiations it will cease this practice and only pay for the time worked, meaning if someone is woken at 3:30 am, they work for seven minutes, they only get paid for the seven minutes (at the applicable overtime rate). IBEW, CEP, and CAW all have call-out minimums.

Mr. Shepherd's characterization of this proposal as simply someone taking a call outside normal hours is erroneous: "Pay Managers a minimum of two (2) hours at double time rates for any calls received during off hours". This is not our proposal! The proposal handed to the Company is available [here](#).

All Overtime back to 2x: This proposal would return the overtime rate to double-time for all hours. IBEW and CEP receive double-time for all overtime hours.

Compressed Work Week: There are various ways a compressed work week can be implemented. Our proposal would allow various arrangements to be negotiated according to the workplace needs. Whether a compressed work week would be allowed would be at the manager's discretion. IBEW have a compressed work week in their Collective Agreement, and other employers in Manitoba and Telcos in Canada offer compressed work week options.

ESOP: TEAM proposed increasing the percentage of salary that a member can assign to purchasing MTS shares through this program from 6% to 10% and increasing the match ratio from 25% to 33.33%. We have reduced our initial proposed cap from 10% to 8%. Great West Life matches at 50%, CN matches at 35%.

Criteria for Appendix D: Appendix “D” is a higher pay schedule primarily for positions requiring strong IT and IP technical skills, it is commonly referred to as the IT Pay Scale. Members have approached TEAM asking why their positions are not on Appendix “D”. TEAM proposed that the criteria be captured in the Collective Agreement so that it is clear why certain positions are on the Appendix “D” pay schedule. We explained to the Company that it is not TEAM’s intent to expand the scope of the appendix, just clarify the criteria required to be on it.

Revise Sales Plan LOU: Our current Collective Agreement includes a Sales Bonus/Commission Plans letter of understanding. This [proposal](#) is intended to increase transparency in the design and implementation of the plans. As the sole and exclusive bargaining agent for employees in our jurisdiction, it is our responsibility to ensure fairness in how our members are compensated and protect against mid-campaign changes that impact our members’ income.
