



## 2018/19 Collective Agreement and Other Costs Increases Funders Meeting

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# Overview

## 1. 2014 to 2019 Collective Agreement

- General Wage Increase
- Economic Stability Dividend
- Comparability and Anomaly Adjustment
- Transportation Allowance
- Meal Allowance

## 2. Other Cost Increases

### Statutory Benefits

- CPP
- Employment Insurance
- WorkSafe BC

### Health Benefits

- MSP
- Extended Health Care
- Group Life
- Accidental Death & Dismemberment (AD&D)
- Dental
- Long Term Disability

### Pension

- MPP

## 3. Collective Agreement Cost Increases 2019/2020

## 4. Preliminary Estimate – Bargaining Unit Employees and Non-Union

## 5. Highlights Summary

# 2018 General Wage Increase

- **1.0% General Wage Increase effective February 1, 2018** for Community Living Services and General Services
- **1.0% General Wage Increase effective February 4, 2018** for Aboriginal Services
- **0.5% General Wage Increase effective April 1, 2018** for Aboriginal Services
- General Wage Increase applies to union and non-union positions

# Economic Stability Dividend

- **0.4% Wage Increase effective February 1, 2018** for Community Living Services and General Services
- **0.4% Wage Increase, which amount to \$0.1212 per hour effective February 4, 2018** for Aboriginal Services
- Economic Stability Dividend applies to union and non-union positions
- February 1, 2018 wage grid is part of the information package

## Illustrations:

### Community Living Services - Residence Worker

- Annualized base salary = **\$39,663.00** (rate calculated at **1,950** hours per FTE, **Step 4** hourly rate = **\$20.34**)
- Annual increase provided by the **0.4%** dividend = **\$158.65** per year or **\$13.22** per month

### General Services – Adult, Youth and/or Child Worker

- Annualized base salary = **\$42,373.50** (rate calculated at **1,950** hours per FTE, **Step 4** hourly rate = **\$21.73**)
- Annual increase provided by the **0.4%** dividend = **\$169.49** per year or **\$14.12** per month

# Comparability and Anomaly Wage Adjustment

- **2.5% Wage Increase effective April 1, 2018**
- Comparability and Anomaly Wage Adjustment applies to all union and non-union positions
- April 1, 2018 wage grid will be available early January 2018

# Transportation and Meal Allowances

## Transportation Allowance

	April 1, 2017	April 1, 2018
For CLS/GS	\$0.47	\$0.48
For AS	\$0.51	\$0.52

## Meal Allowance

	April 1, 2017	April 1, 2018
Breakfast	\$10.41	\$10.56
Lunch	\$12.75	\$12.94
Dinner	\$22.11	\$22.44

# Canada Pension Plan (CPP)

<b>Canada Pension Plan (CPP)</b>		
Year's Maximum Pensionable Earnings (YMPE)	<ul style="list-style-type: none"> <li>The current (2017) YMPE is \$55,300.</li> </ul>	<ul style="list-style-type: none"> <li>\$55,900, <u>an increase of 1.08%</u> from current YMPE</li> </ul>
Year's Basic Exemption (YBE)	<ul style="list-style-type: none"> <li>YBE of \$3,500 has been in effect since 1996</li> </ul>	<ul style="list-style-type: none"> <li><b>No change</b> – YBE will remain at \$3,500</li> </ul>
CPP Contribution Rate	<ul style="list-style-type: none"> <li>The contribution rate is applied to employment earnings that exceed YBE up to the YMPE</li> <li>The current (2017) contribution rate of 4.95% for employer and employee is in place since 2003</li> </ul>	<ul style="list-style-type: none"> <li>No change in contribution rate for both the employer and employee (9.9% combined)</li> </ul>
Maximum Annual Contribution	<ul style="list-style-type: none"> <li>Maximum annual contribution amounts in 2017 for both the employer and employee is \$2,564.10.</li> </ul>	<ul style="list-style-type: none"> <li>The maximum annual contribution amounts in 2018 for both employer and employee is \$2,593.80, <u>an increase of 1.16%</u>.</li> </ul>

# Employment Insurance (EI)

<b>Employment Insurance (EI)</b>		
El Contribution Rate	<ul style="list-style-type: none"> <li>The employer contribution rate is 1.4 X the employee rate.</li> <li>Current (2017) El employer contribution rate is \$2.282 per \$100 of insurable earnings.</li> <li>Current (2017) El employee contribution rate is \$1.63 per \$100 of insurable earnings.</li> </ul>	<ul style="list-style-type: none"> <li>The 2018 El employer contribution rate will go up from \$2.282 to \$2.324 per \$100 of insurable earnings, <u>a 1.8% increase.</u></li> <li>The 2018 El employee contribution rate will also go up from \$1.63 to \$1.66 per \$100 of insurable earnings, a 1.8% increase.</li> </ul>
Maximum Annual Insurable Earnings (for all Canadian employees)	<ul style="list-style-type: none"> <li>The contribution rates noted above apply to maximum annual insurable earnings.</li> <li>In 2017, the maximum annual insurable earnings is \$51,300.</li> </ul>	<ul style="list-style-type: none"> <li>\$51,700, <u>an increase of 0.78%</u> from current maximum annual insurable earnings.</li> </ul>
Maximum Annual Contribution	<ul style="list-style-type: none"> <li>Maximum annual contribution amounts in 2017 are \$1,170.67 for employer and \$836.19 for employee.</li> </ul>	<ul style="list-style-type: none"> <li>The maximum annual contribution amounts in 2018 are \$1,201.51 for employer and \$858.22 for employee. Employer maximum annual contribution <u>increase by 2.6%.</u></li> </ul>



# WorkSafe BC

<b>WorkSafe BC (Workers' Compensation)</b>		
Assessment Rates	<ul style="list-style-type: none"> <li>• Current (2017) average base rate is \$1.65 per \$100 of insurable earnings.</li> <li>• Majority of social services sector employees fall under six (6) classification units (CU)</li> <li>• The current (2017) base rates per \$100 of insurable earnings for the six (6) classification units (CU) are as follows:               <ul style="list-style-type: none"> <li>- Counselling or Social Services: \$1.16</li> <li>- Residential Social Services: \$2.12</li> <li>- Short Term Care: \$1.80</li> <li>- Daycare Centre. Preschool, or Playschool: \$1.11</li> <li>- Life and Jobs Skills Training: \$2.09</li> <li>- Long Term Care: \$2.36</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• 2018 average base rate is dropping from \$1.65 to \$1.55 per \$100 of insurable earnings.</li> <li>• <u>Most of social services sector employees are getting a reduction in WorkSafe BC premium rates.</u></li> <li>• The 2017 base rates rates per \$100 of insurable earnings for the six (6) classification units (CU) are as follows:               <ul style="list-style-type: none"> <li>- Counselling or Social Services: \$1.15</li> <li>- Residential Social Services: \$2.01</li> <li>- Short Term Care: \$1.60</li> <li>- Daycare Centre. Preschool, or Playschool: \$1.29</li> <li>- Life and Jobs Skills Training: \$1.91</li> <li>- Long Term Care: \$2.26</li> </ul> </li> </ul>
Maximum wage per worker	<ul style="list-style-type: none"> <li>• Current (2017) maximum wage per worker: \$81,900</li> </ul>	<ul style="list-style-type: none"> <li>• 2018 maximum wage per worker is \$82,700</li> </ul>

# Other Costs

## Medical Services Plan (MSP)

Monthly Premium Rates (2017)	Monthly Premium Rates (2018)
<ul style="list-style-type: none"> <li>MSP monthly premium rates effective January 1, 2017: \$75.00 Individual / \$150.00 for Two Adults in a Family</li> <li>Rate for Two Adults in a Family will increase from \$136.00 to \$150 per month or from \$1,632 to \$1,800 per year, an increase of 10.3%</li> <li>Children will be exempt from MSP premiums</li> <li>Premium assistance will also be enhanced effective January 1, 2017.</li> </ul>	<ul style="list-style-type: none"> <li>MSP monthly premium rates effective January 1, 2018: \$37.50 Individual / \$75.00 for Two Adults in a Family</li> <li>Current Rates will be reduced by 50 percent.</li> <li>The Regular Premium Assistance program remains in place, providing financial assistance to those with an annual adjusted net income of \$42,000 or less.</li> </ul>

## Extended Health Care (EHC)

Premium Rates (2017)	Projections for 2018
<ul style="list-style-type: none"> <li>2017 Average Rate Increase Blended rate 11.20%</li> <li>Rates vary by employer and employee group</li> </ul>	<ul style="list-style-type: none"> <li>2018 Average Projected Rate Increase Blended rate 8.24%</li> <li>Rates vary by employer and employee group</li> </ul>

# Other Costs

## Dental

<b>Premium Rates (2017)</b>	<b>Projections for 2018</b>
<ul style="list-style-type: none"><li>• 2017 Average Rate Increase Blended rate 5.57%</li><li>• Rates vary by employer and employee group</li></ul>	<ul style="list-style-type: none"><li>• 2018 Average Projected Rate Increase Blended rate 5.67%</li><li>• Rates vary by employer and employee group</li></ul>

## Group Life

<b>Premium Rates (2017)</b>	<b>Projections for 2018</b>
<ul style="list-style-type: none"><li>• 2017 Average Rate Increase Blended rate 7.28%</li><li>• Rates vary by employer and employee group</li></ul>	<ul style="list-style-type: none"><li>• 2018 Average Projected Rate Increase Blended rate 4.39%</li><li>• Rates vary by employer and employee group</li></ul>

# Other Costs

## Accidental Death and Dismemberment (AD&D)

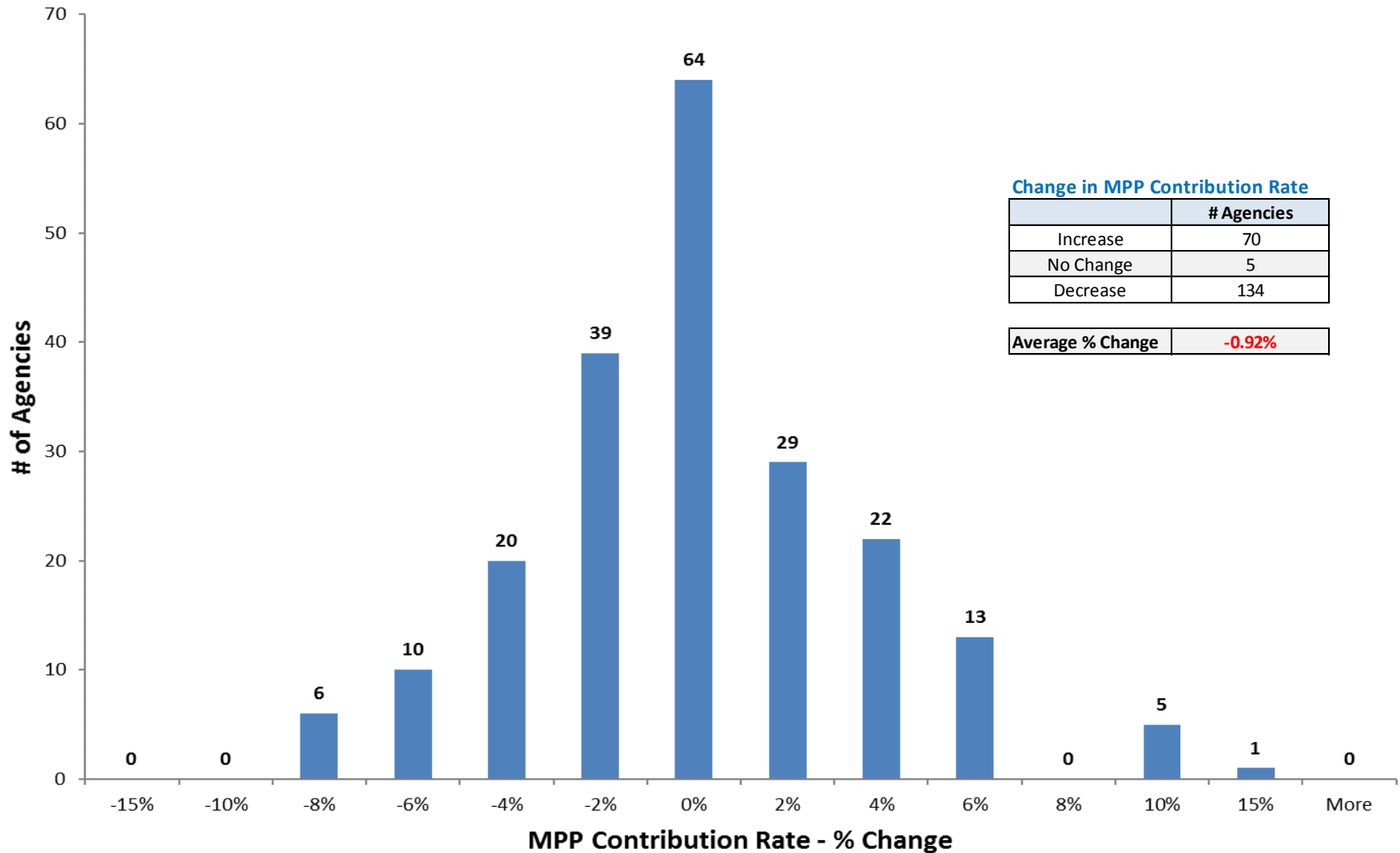
Premium Rates (2017)	Projections for 2018
<ul style="list-style-type: none"> <li>• 2016 Average Rate Increase Blended rate 1.64%</li> <li>• Rates vary by employer and employee group</li> </ul>	<ul style="list-style-type: none"> <li>• 2017 Average Projected Rate Increase Blended rate 2.38%</li> <li>• Rates vary by employer and employee group</li> </ul>

## Long Term Disability

Premium Rates (2017)	Projections for 2018
<ul style="list-style-type: none"> <li>• 2016 Average Rate Increase Blended rate 10.78%</li> <li>• Rates vary by employer and employee group</li> </ul>	<ul style="list-style-type: none"> <li>• 2017 Average Projected Rate Increase Blended rate 3.66%</li> <li>• Rates vary by employer and employee group</li> </ul>

## MPP Contribution Rate

% Change effective January 1, 2018



# Collective Agreement Cost Increases 2019/2020

Effective Date	Monetary Items
February 1, 2019	1.0% General Wage Increase
Economic Stability Dividend based on 2018 GDP	

# Preliminary Estimate – Bargaining Unit & Non-Union Employees

## Annualized

Collective Agreement Costs	Wages	Wage Impacted Benefits	Non-Wage Impacted Benefits	Total	% of Total Compensation
General Wage Increase: 1.0%	\$4,701,061	\$811,118	\$0	\$5,512,179	0.78%
General Wage Increase: 0.5% for AS	\$52,174	\$7,315	\$0	\$59,489	0.01%
Economic Stability Dividened: 0.4%	\$1,880,425	\$324,447	\$0	\$2,204,872	0.31%
Comparability and Anomaly: 2.5%	\$11,655,290	\$2,056,183	\$0	\$13,711,473	1.94%
<b>Total</b>	<b>\$18,288,949</b>	<b>\$3,199,063</b>	<b>\$0</b>	<b>\$21,488,012</b>	<b>3.03%</b>

Other Costs	Wages	Wage Impacted Benefits	Non-Wage Impacted Benefits	Total	% of Total Compensation
El: (+2.6%)		\$298,422		\$298,422	0.04%
WCB: (-3.58%)		-\$320,942		-\$320,942	-0.05%
LTD: 3.66%		\$457,717		\$457,717	0.06%
MPP: (-0.92%) (note 1)		-\$276,802		-\$276,802	-0.04%
Extended Health: 8.42%			\$699,406	\$699,406	0.10%
Dental: 5.67%			\$689,533	\$689,533	0.10%
Group Life: 4.39%			\$38,714	\$38,714	0.01%
AD&D: 2.38%			\$4,054	\$4,054	0.00%
MSP: (-50.0%)			-\$5,142,696	-\$5,142,696	-0.73%
<b>Total</b>	<b>\$0</b>	<b>\$158,395</b>	<b>-\$3,710,989</b>	<b>-\$3,552,594</b>	<b>-0.50%</b>

Expenses	Incremental Cost	% of Total Compensation
Transportation Allowance (+2%)	\$118,755	0.02%
Meal Allowance (+1.5%)	\$3,669	0.001%

### 2017 Total Compensation Base reported to PSEC

	Bargaining Unit	Management & Excluded	Non-Union	All Employees
Total Compensation Base	\$506,401,963	\$124,998,505	\$76,621,111	\$708,021,579

# Highlights Summary

- 2018/19 CA total compensation increases will be 3.03 %
- Other reduction in total compensation costs of -0.48 % for a net increase of 2.55%
- Reported issues with the flow of the 2017 collective agreement funding
  - Timeliness
  - Non-compounding of increases
  - Funding but not the CSSEA CA increases
  - Union equivalent positions