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## A New Offer from BCFS

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At the marathon bargaining session on Thursday, December 11, BCFS presented a new offer to BCFMWU. Comparison shows that the new terms are less draconian than the ones which initiated job action. Nonetheless, Mediator Vince Ready stated that the Union and Company were still far apart but both had agreed to binding arbitration. The following three articles set out major points of the offer and note the changes.

### Previous two-tier pension proposal scrapped

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When BC Ferries employees were transferred to BC Ferry Services Inc on April 1, 2003, they were told that existing employees would continue to be covered by the Public Service Pension Plan (PSPP), a defined benefit plan, but that the company was considering introducing a new 'defined contribution' plan for new hires.

Typically, a defined benefit plan guarantees a pension based on years of service and final wage levels. A defined contribution plan pays pensions which depend on the performance of the plan's investments over the years. Defined benefit plans usually cost more than defined contribution plans, but often provide better, and more certain, benefits.

In the previous offer, the Company had sought such a two-tier scheme, and had gone so far as to suggest that if the plan was not accepted, they might try to pull all ferry employees out of the PPSP.

Union officials estimated that ferry employees were responsible for \$1.7 billion, some 8-10% of the PPSP. If they were pulled out of the PPSP, it could have led to a need to recalculate the basis of the entire fund.

In BCFS new offer BCFS said 'BC Ferries is proposing no change respecting your pension plan. Pending the approval of your pension trustees, all existing and future employees will remain in the existing BC pension plan.'

### Wage proposal

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The company now proposes to divide the present annual salaries by 1958 (an assumed number of hours per year) and pay hourly on that basis. Less hours, less costs to the company; more hours, no increase in costs to the company. (When bargaining started, the magic number was 2088.)

The union now proposes no change in present wage rates with, at most, a cost-of-living increase (the fare increases anticipated by BCFS' contract with the Province are theoretically based on the cost of living). In its latest proposal, the Company also proposes no immediate change, but a general increase of 2% effective November 1, 2005.

The Company had originally proposed that new employees would start at 70% of the normal wage and, over three years of satisfactory performance, rise to 100%. That proposal has now been changed to a system whereby wages for employees starting after the commencement of a new collective agreement would be capped at 90% of the normal wage. In addition, new employees would start at 85% of the capped wage, and, over three years of satisfactory performance, rise to the full capped wage. Over a great many years this proposal would cut wage costs by 10%, but employee turnover is low. (See 'Many Years Before the Mast,'

page 9.)

### Overtime

Much of the existing overtime is structural, that is to say, it is built into the schedule. Day shifts are typically around eight hours, but ship schedules often do not fit neatly into a shift; after all, crew need to return to their home port when they finish work.

The company is demanding almost complete discretion in scheduling, hours per day, and shift patterns. It proposes to set the regular hours worked annually by all employees to 1958 (37.5 hours per week) with no increase in wages.

The company proposes that no overtime will be paid to any employee until he/she has worked 1958 hours in a year. Since some employees presently work more than 1958 hours per year and some work less, some effective hourly rates would go up and some would go down.

Over the past few years, much fine tuning has been done to fit start and end times for shifts to scheduled arrival and departure times. The proposal allows the company to change the length of a regular shift, say from eight to ten hours or more without consultation, to avoid incurring overtime. Other shifts, say an

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afternoon shift, might become proportionately shorter.

The existing agreement provides a shift differential in situations where employees are required to work long shifts (12

hours on, 12 hours off for 14 straight days), such as on some northern routes. The proposal appears to eliminate this differential.

## Effects of wage proposal on shift work

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Depending on what they do and where they work, ferry workers have many different shift patterns. They are all paid on the basis of monthly salaries. BCFS's current proposal to multiply monthly salaries by 12, and divide them by 1958 to arrive at an hourly rate. This affects each group differently.

**Group 1:** Work Monday to Friday with weekends off. This group works 7 hours a day, with Statutory Holidays off. Current annual hours of work are 1827, including holidays and Statutory holidays. The company is proposing a 7.5 hour day for this group, which would take the annual hours to 1958. If salaries remained the same, this would mean a 7% decrease in the pay per hour.

**Group 2:** Shift workers who work day shift or afternoon shift, with some also working graveyard shifts, usually on rotating patterns of 4, 6, 8 or 10 days on and 2, 3, 4, or 5 days off. Some of these shift workers work 7.5 hours per day while others work 8 hours per day, at straight time, a total of 1823 to 1944 hours. Some others, notably Certificated Marine

Engineers, work 7.5 hours at straight time and a half hour at overtime; this is because ships' engine rooms and major terminals must be attended 24 hours a day.

**Group 3:** Shift workers who work 5 10-hour shifts at straight time, with 5 days off, and receive a 5% differential for the longer day. This is a total of 1825 hours per year.

**Group 4:** Shift workers who work 12-hour shifts at straight time with 4 days on and 4 days off or 14 days on and 14 days off receive a differential of 27% or 29% for the longer day whether they work on a liveaboard vessel or not. Typically, they work 1827 hours per year.

**Group 5:** Shift workers who work between 7.5 and 12 hours per day under the 'ASTO' system work 2 days on for every day off. Excess annual hours worked are compensated either by receiving extra days off or a percentage differential paid. (This system is used throughout the Northern Gulf Islands.) Typically, an ASTO employee would work 1964 hours per year, including vacation and statutory holidays. ✓

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