

Agreement Reached for Additional Compensation for GSO's
Impacted by the Federal Payroll System
March 2021

- We previously [reported in May of 2019](#) that the Guild and a number of other unions had reached an initial “damages agreement” with the federal government to begin to compensate our Members employed as GSO’s at Coast Guard and DND due to the employer implementing a dysfunctional payroll system. Following the considerable effort that went into reaching this initial damages agreement, and on the recommendation of the Guild’s legal counsel, [this June 2019 Phoenix Pay Damages Agreement - MOA #1](#) was approved by the Guild’s National Board.
- One of the components of this MOA #1 included awarding general damages of up to 40 hours of paid leave to all GSO members, with an option to cash in the leave or bank it.
- MOA #1 also includes a process for settling additional outstanding individual damage claims related to payroll problems and enables Officers to [claim reimbursement for additional expenses, financial losses or severe impacts](#).
- By the Guild signing MOA #1 in May of 2019, our Members have already had access to the compensation or leave allotted in that Agreement, and access to the claims process, for well over a year now.
- MOA #1 [also](#) included a “catch-up clause” (previously known as a “me-too clause”) to ensure that any unions that moved quickly to obtain compensation for their members would not be disadvantaged should any [other](#) union later receive a higher level of compensation (or damages award) in the future, pertaining to the same issue. While a subsequent settlement reached by PSAC (which provides up to \$2500.00 per eligible PSAC member) [partly](#) relates to the same Phoenix payroll damages, it also includes compensation for the employer’s late implementation of the PSAC collective agreement (the late payment of their retroactive pay). This complication has led to delays in calculating the amount attributable to our “catch-up clause” because only a portion of the PSAC’s \$2500.00 is in lieu of our 40 hours of leave and the rest is in recognition of the late implementation of retroactive pay from a previous PSAC collective agreement.
- The Guild too has been doing everything possible regarding the late implementation of our own collective agreement. In addition, we have previously reported, that the Guild also filed a [Policy Grievance to the Labour Board](#) on behalf of all GSO’s due to late implementation of retroactive pay from our last contract and we have expended considerable resources properly preparing for an eventual grievance hearing in front of an adjudicator. Throughout the year 2020, as a result of aggressive advocacy by the Guild, significant progress was made toward finalizing the payout of retroactive pay to GSO’s. In order to now obtain additional compensation for our GSO members due to [both](#) the issues of the “Catch-up Clause for general Damages”, as well as the “late implementation of retroactive pay” it will be necessary to withdraw our policy grievance related to late implementation of retroactive pay (prior to any Labour Board hearing being scheduled to hear the case). The Guild’s legal counsel recommended to the National Board that this policy grievance be withdrawn based on recent satisfactory negotiations to reach an additional payout for our members related to “compensation for late implementation of retroactive pay” ([see MOA #2 here](#)). On March 5th, 2021, the Guild signed MOA #2 and promptly issued this bulletin to advise our GSO’s.

- MOA #2, while long overdue is a positive development, but was not arrived at easily, so the final agreed-upon language is necessarily cumbersome. To summarize in general terms, MOA #2 allots our GSO's the following compensation:
 - **Paragraph 8** provides that Officers who earn less than \$300.00 per day (to be determined in **all cases** by multiplying the appropriate hourly rate of pay **by eight**) will be "topped-up" with a catch-up payment for general damages (on top of the 40 hours of paid leave which was already provided under MOA #1).
Note: This top-up provision does not apply to Coast Guard Officer Cadets as there is no applicable hourly rate of pay. However, the Guild has taken steps to ensure that the provisions of Paragraph 10 below, will apply to Coast Guard Officer Cadets.
 - **Paragraph 10** provides **1000 dollars** for all Officers who were in our bargaining unit from 2016 to 2020 and lesser amounts to those who were not working in the bargaining unit **for at least one day** in each "financial year".
- All payments referenced above have been determined by the Canada Revenue Agency to be taxable and non-pensionable, and have been agreed-to on the basis that the employer will make best efforts to pay these sums expeditiously.
- The various provisions in the two MOA's described above are related to the significant damages that were caused by the federal payroll system and are not related to any pay that is actually owed to an officer. Any missing amounts owed, still need to be paid and the Guild is providing individual Members with ongoing assistance in obtaining those funds on a case-by-case basis.
- The federal payroll system is still far from being fixed and a trial of a new replacement payroll system is currently underway, but only at the Canadian Heritage Dept.