



FYI



| PLEASE POST |

Date: June 16, 2021
To: All BCGEU Members in Highway Maintenance
Re: COLA 2021

The Annual Highway Adjustment Calculations for 2021 have been finalized. These calculations are based on cost inflation for 2020. The Labour Index adjustment will generate a 4.78% COLA (Cost of Living Allowance) increase for 2021 in all highway maintenance areas with a COLA provision.

In the last year of highway maintenance agreements there was no COLA increase given to the contractor or membership from the Ministry of Transportation and Infrastructure. If your contract ended in 2018 there was no COLA for that year and if it ended in 2019 there was no COLA for that year, (except for SA6 as they received their COLA late).

In some of the new collective agreements, we added the last year in with the understanding that if the Ministry of Transportation did not provide a COLA, the members would not be entitled to it, others we had a verbal agreement with the employer. We did not achieve that COLA for the last year of the previous agreements.

1. The first anniversary of your new collective agreement (one year after the start date), the first 4% of the COLA will be a 0% wage increase.
2. Once that 4% is realized the next COLA amounts will be split, 50% of the COLA to wages and 50% of the COLA to rebuild the 2% pension reduction.
3. Once the pension is rebuilt, all the COLA goes towards wages. The COLA increase is the same formula that has produced wage increases since 2005.
4. These provisions were bargained in all highways agreements to-date, those that have not bargained under the successorship agreement yet are SA 11 and SA 20.



In service areas 2, 3, 4, 9, 12, 15 & 24 the increases are applied as follows:

Year	COLA	Reason
2018	No COLA	As this was the end of the of the previous highway maintenance contract
2019	2.42%	This was applied to the first 4% noted above, balance remaining 1.58%
2020	2.26%	Deduct 1.58% equal .68% <ul style="list-style-type: none"> ○ .34% goes to rebuild pension, 1.66% left to rebuild 2% pension reduction; ○ .34% goes to wage increase
2021	4.78%	<ul style="list-style-type: none"> ○ 1.66% goes to rebuild pension back to the original contribution rates; ○ 3.12% is the wage increase for SA 2, 3, 4, 9, 12, 15 & 24

In service areas 1, 5, 6, 7, 8, 10, 13, 14, 16, 17, 18, 19, 21, 22, 23, 26, 28 the increases apply as follows:

Year	COLA	Reason
2018	2.62%	Labour increase for wages
2019	No COLA	As this was the end of the of the previous highway maintenance contract (except as noted above for SA6)
2020	2.26%	This applies to the first 4% noted above, balance remaining 1.74%
2021	4.78%	First minus the remaining 1.74% of the 4% equals 3.04% <ul style="list-style-type: none"> ○ 1.52% goes to rebuild the pension plan. Leaving .48% left to rebuild; ○ 1.52% goes to wage increase

In service area 11, they receive the 4.78% COLA. The SA 11 agreement ends in 2023.

In service area 20, they do not receive the COLA in 2021 as that is the year their collective agreement expires.

In solidarity



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MoveUP/FA-572

