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Union of Health and Environment Workers
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Syndicat des travailleurs de la santé et de l'environnement

PSAC secures improved Phoenix damages settlement
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PSAC has reached an equitable settlement for 140,000 federal public service workers for compensation due to Phoenix damages.

When PSAC rejected the government's meagre Phoenix settlement offer last year, it was for two important reasons: five days of cashable leave was far too little to compensate for the enormous damage caused by the faulty pay system; and it was not an equitable solution for everyone as it rewarded the highest earners and punished those with lower wages when cashed out.

PSAC is pleased to have negotiated a new Phoenix damages agreement which replaces five days of leave with a \$2,500 lump sum payment to be distributed to all of our eligible members who have been directly or indirectly impacted by the Phoenix pay system. This new agreement is a substantial improvement from the one negotiated by other federal bargaining agents.

This new agreement will help make our members whole for over four years of hardships caused by the Phoenix pay system. The agreement has three main elements:

General damages compensation for all (i.e.: the \$2,500 lump sum);

An improvement to the current claims process for out-of-pocket expenses and financial losses;

Compensation for severe impacts and other demonstrable cases.

1. General damages compensation

This part of the agreement covers general damages for all our members employed by the federal public service between 2016 to 2020. It includes compensation for the late implementation of collective agreements during those years due to the Phoenix pay system. Entitlement to compensation is as follows:

2016/2017

\$1,000

2017/2018

\$500

2018/2019

\$500

2019/2020

\$500

All PSAC members of the federal government paid by the Phoenix pay system are eligible to receive this financial compensation. A member is eligible for the designated amount as long as they were employed on an indeterminate basis, or were a term for more than 3 months, and worked one full day during the fiscal year of the claim.

Former federal government employees, or their estates, will also be eligible to file a claim requesting their full Phoenix settlement amount.

We believe that this compensation for pain and suffering should be tax free. However, we will have to await a formal ruling from the Canada Revenue Agency.

2. Claims process for expenses and financial losses

Members who have already submitted claims for out-of-pocket expenses and financial losses due to Phoenix should continue with the claims process. The government will continue to process these claims as they are received.

3. Damages for severe impacts and other demonstrable cases

PSAC members who have suffered severe losses due to the Phoenix pay system, such as major financial losses (cars, homes, investments etc.), and longer-term impacts like ruined credit ratings, will be entitled to claim damages.

A member who has incurred a loss that exceeds \$1,500 in value can make a claim for major financial hardship or mental anguish caused by the Phoenix pay system that includes, but is not limited to:

accumulated interest on outstanding amounts for loans, mortgages, credit card or other debts due to delayed severance or pension payments, or missing pay;

use of sick leave or other paid or unpaid leave for illness (the \$1,500 threshold does not apply in this case);

loss of security clearance due to bankruptcy or credit rating;

forced resignation from the public service because of financial hardship;

mental anguish and trauma that interfered with their ability to lead a normal life, whether solely or in part by the Phoenix pay system;

financial losses from cashing-in public investments or RRSPs due to unpaid earnings.

The government is in the process of setting up a new claims office for damages for severe impacts and other demonstrable cases following the signing of this agreement.

Please note that this agreement only covers damages up until December 2020. PSAC reserves the right to pursue damages for future years of hardships.

What about Phoenix-related grievances?

PSAC's Phoenix settlement agreement covers overall damages, therefore all grievances related to general damages or late implementation of collective agreements will be considered resolved. However, grievances that were filled prior to this agreement that involved catastrophic loss and other hardships that were either denied or fall outside of this agreement will continue to be pursued by your union.

If a member files a Phoenix claim for damages for severe impacts and other demonstrable cases and is denied in whole or in part, they may grieve the denied portion. All grievances filed before and after this agreement will be subject to the remedies outlined in the settlement.

Full text and additional details

When the full text and details of the agreement are ready for distribution, PSAC will make them available to all members. We will also provide additional information regarding expected timelines and other considerations as soon as possible.