

FAQs

1. What factors are considered in determining compensation in the federal public service?

Sections 148 and 175 of the *Federal Public Sector Labour Relations Act* give guidance relevant to the determination of compensation in the federal public service. The Act identifies five factors which should be taken into account:

- Necessity of offering compensation and working conditions comparable to the private and public sectors;
- Need to establish compensation and working conditions which are fair and reasonable in relation to qualifications required, work performed, responsibility assumed, and the nature of services rendered;
- Need to maintain appropriate internal relativity of compensation and working conditions within an occupation and as between occupations in the public service;
- Necessity of attracting competent persons to, and retaining them in, the public service in order to meet the needs of Canadians; and
- State of the Canadian economy and the Government of Canada's fiscal circumstances.

Treasury Board, in its capacity as the Employer, also has a *Policy Framework for the Management of Compensation* within the federal public administration. Compensation management is guided by four overarching principles:

- **External Comparability:** Compensation should be competitive with, but not lead, that provided for similar work in relevant labour markets;
- **Internal Relativity:** Compensation should reflect the relative value to the Employer of the work performed;
- **Individual/Group Performance:** Compensation should reward performance, where appropriate and practicable, based on individual or group contributions to business results.
- **Affordability:** The cost of compensation must be affordable within the context of commitments to provide services to Canadians, the fiscal circumstances of the Government of Canada, and the state of the Canadian economy.

2. Why did the LP pay scheme need to be restructured?

A two-tier pay scheme for LPs has existed since 1990. Under that two-tier scheme, Toronto LPs are paid more than National LPs. The higher Toronto pay grid is sometimes referred to as the “Toronto differential.” The current situation is as follows:

- LP-02s on the Toronto pay grid have three more lock-steps at the top of the grid. The top LP-02 lock-step on the Toronto pay grid is **\$23,964 higher** than the top LP-02 lock-step on the National pay grid, based on the 2021 pay rates currently in effect.
- LP-03s on the Toronto pay grid have two more lock-steps at the top of the grid. The top LP-03 lock-step on the Toronto pay grid is **\$26,427 higher** than the top LP-03 lock-step on the National pay grid, based on the 2021 pay rates currently in effect.
- LP-04s in Toronto have a higher pay range than National LP-04s. The top of the Toronto LP-04 pay range is **\$17,227 higher** than the top of the National LP-04 pay range, based on the based on the 2021 pay rates currently in effect.
- The Toronto and National pay grids for LP-00s, LP-01s and LP-05s are identical.

This pay discrepancy has had a long-term negative impact on the lifetime earnings and pensions of National LP-02s, LP-03s and LP-04s. Here is a link to a comparison of the Toronto and National pay grids ([link](#)).

Some history helps to understand how this situation came about. Between 1987 and 1990 the Department of Justice’s Ontario Regional Office (ORO) in Toronto experienced serious recruiting and retention problems. Lawyers were leaving the ORO at an alarming rate, and the DOJ was having trouble recruiting new lawyers. Many DOJ lawyers in the ORO were taking employment with the Province of Ontario which had higher rates of pay.

Despite its historic opposition to regional rates of pay, Treasury Board decided to address the ORO recruiting and retention problem by approving a regional rate of pay for the ORO on June 6, 1990. The cost of living in Toronto was not a factor in this decision.

The new Toronto regional rate of pay meant that DOJ lawyers at the LP-02, LP-03 and LP-04 levels in Toronto and in satellite offices in the surrounding area would earn \$12,000 - \$16,000 more per year than their colleagues elsewhere in the country who were paid on the DOJ national scale.

The Toronto regional rate of pay was intended to be temporary, to be reviewed on an annual basis, and to eventually merge back into the single national pay scale for federal lawyers. However, wage restraint legislation had the effect of freezing the Toronto regional rate of pay into place to the present.

The history of the Toronto regional rate of pay is exhaustively reviewed in *Babcock v. Canada (A.G.)*, 2005 BCSC 513 at paras. 40-169 and Andrij Roman Kowalsky, *Unionization at Justice Canada: A Case Study* (Ph.D. Thesis, Osgoode Hall Law School of York University, 2015) at 99-134.

It has been a long-term goal of the AJC to establish a single, national rate of pay for all LPs and to achieve pay comparability with Ontario government lawyers. The inequities of a two-tier pay structure for LPs needed to be changed. After 34 years, this change was long overdue. Having rejected any consideration of a single national rate of pay in every other round of collective bargaining, the Employer expressed an openness to a single national rate of pay for LPs in this round of collective bargaining in exchange for concluding the AJC-TBS joint pay studies.

In this round of collective bargaining, the AJC has reached a tentative agreement which restores an equitable pay structure for LPs and also achieves pay comparability with Ontario government lawyers. This result benefits both National and Toronto LPs, not only in terms of establishing a single national rate of pay for all LPs, but also by improving mobility for Toronto LPs who no longer face the prospect of having to transition to the lower National pay grid if they take a position in another region.

3. Why didn't the deal get pay parity with Ontario?

As discussed above, the *Federal Public Sector Labour Relations Act* speaks of the need to achieve compensation which is **comparable** as well as fair and reasonable. Compensation specialists generally consider pay to be comparable if it is within 5-10% of a reasonable comparator. As discussed elsewhere, we believe that the compensation deal in the tentative agreement achieves comparability.

4. Why isn't the collective agreement retroactive to May 2018?

The AJC bargained hard with Treasury Board in an effort to get a compensation deal that would be retroactive to 2018. Numerous options were pursued with the Employer in order to accomplish this. While the Employer listened to and considered the AJC's proposals on retroactivity, they were all rejected – primarily on the basis of the significant cost associated with this retroactivity. In the end, it became clear that the deal which was ultimately struck would have been jeopardized if the AJC had insisted on retroactivity to 2018.

In addition, if the joint pay studies had been completed and the issue of compensation had proceeded to arbitration, there was a restrictive path to retroactivity to May 2018. One option open to the arbitrator was to award a percentage economic adjustment **uniformly applicable to all LP levels** effective May

2018. This option would have precluded a compensation award comparable to what has been achieved by the tentative agreement.

5. Will LPs receive any back pay?

Yes. LPs will receive back pay retroactive to May 10, 2022.

6. Will all LPs receive a pay raise?

Yes. All LPs (Toronto and National) will receive pay increases totaling 12.5% (13.14% when compounded) over the four-year term of a new collective agreement.

National LP-02s and LP-03s at the top step may receive an additional increase based on their transition to a new step in the single national pay grid. It also possible that some National LP-04s could receive an additional increase if their current rate of pay is below the minimum pay rate in the new single pay grid.

7. Why didn't the AJC complete the joint pay studies?

The tentative agreement provides at p. 9 that the joint pay studies are terminated and will not proceed further. The transition to the new single pay grid (formerly the Toronto pay grid) and the pay increases totaling 12.5% have addressed market adjustment and pay concerns for this round of collective bargaining.

The AJC is of the view that the Employer's recognition that Ontario government lawyers are the reasonable comparator for LP pay is actually a better outcome than what could be achieved in the joint pay studies which would have compared LP pay to the pay of lawyers in numerous Canadian jurisdictions (many of which pay their lawyers poorly) as well as internal public sector comparators.

In any event, the AJC was concerned about how long it would take to complete the joint pay studies, especially in light of the years of work that had been put in without even finalizing methodology and data collection. The Employer suggested that it might take **as many as five years or more** to complete the joint pay studies and an arbitration which might follow. Our own research analyst concurred that this was possible. Some pay studies and pay equity exercises have taken decades to litigate. **If the result at the end of that litigation had been that there was no retroactivity to the adjustments, that would have represented a massive loss of pay for our members.**

Finally, the legislative factors discussed above represented a potential headwind that might work against the membership, and the outcome of the pay studies was far from certain.

8. How long will it take to implement the collective agreement?

The implementation of the new collective agreement would be governed by the pattern MOU between the AJC and the Employer which can be found at pp. 13-14 of the tentative agreement. The new collective agreement would be implemented over the following time frames:

- 180 days after signature of the collective agreement for the prospective elements of compensation increases (e.g., salary changes and other compensation elements), where there is no need for manual processing;
- 180 days after signature of the collective agreement for the retroactive amounts payable to LPs, where there is no need for manual processing; and
- 460 days after signature of the collective agreement for compensation increases and retroactive amounts that require manual processing.

That being said, our understanding is that other collective agreements which were reached in 2023 (e.g., PSAC) were implemented in approximately three months.

9. Who conducted bargaining with the Employer on behalf of the AJC?

The AJC Negotiations Committee conducted negotiations and collective bargaining with the Employer. The Negotiations Committee consists of the President, who chairs the Committee, and other Governing Council members appointed by the Governing Council.

In addition to the President, the Negotiations Committee consisted of LP-02 Governing Council members representing the National Capital Region, Northwest Territories, Ontario Regional Office, Manitoba, Quebec Regional Office and British Columbia. The Committee also had an alternate member from the Atlantic Regional Office.

The duties and responsibilities of the Negotiations Committee are set out in Terms of Reference approved by the Governing Council.

10. Can you give some transition examples?

The following examples should be read in conjunction with the new national pay grid.

NATIONAL AND TORONTO LP-01s

National and Toronto LP-01 (Step 1) Transition Example

The pay grids for National and Toronto LP-01s are identical. Step 1 National and Toronto LP-01s (two lock-step increases per year) would transition to the new single pay grid as follows:

- Pay under the 2021 pay grid is \$82,430.
- Transition to step 1 of the new single pay grid effective May 10, 2022, with a new rate of pay of \$86,381.
- Advance to step 2 on June 1, 2022, with a new rate of pay of \$90,443.
- Advance to step 3 on December 2, 2022, with a new rate of pay of \$94,694.
- New rate of pay effective May 10, 2023, of \$98,022.
- Advance to step 4 on June 1, 2023, with a new rate of pay of \$102,630.
- Advance to step 5 on December 2, 2023, with a new rate of pay of \$107,453.
- New rate of pay effective May 10, 2024, of \$109,876.
- Advance to step 6 on June 1, 2024, with a new rate of pay of \$115,039.
- Advance to step 7 on December 2, 2024, with a new rate of pay of \$120,446.
- New rate of pay effective May 10, 2025, of \$122,855
- Advance to step 8 on June 1, 2025, with a new rate of pay of \$128,628.
- TOTAL INCREASE DURING THE TERM OF THE COLLECTIVE AGREEMENT: **\$46,198.**

COMPARISON OF MID-LEVEL NATIONAL AND TORONTO LP-02s

National LP-02 (Step 5) Transition Example

A step 5 National LP-02 with a July 15 anniversary date would transition to the new single pay grid as follows:

- Pay under the 2021 pay grid is \$138,053.
- Transition to step 5 of the new single pay grid effective May 10, 2022, with a new rate of pay of \$145,114.
- Advance to step 6 on July 15, 2022, with a new rate of pay of \$151,934.
- New rate of pay effective May 10, 2023, of \$157,275.
- Advance to step 7 on July 15, 2023 date with a new rate of pay of \$164,667.
- New rate of pay effective May 10, 2024, of \$168,381.
- Advance to step 8 on July 15, 2024, with a new rate of pay of \$176,294.
- New rate of pay effective May 10, 2025, of \$179,820.
- Advance to step 9 on July 15, 2025, with a new rate of pay of \$188,274.
- TOTAL INCREASE DURING THE TERM OF THE COLLECTIVE AGREEMENT: **\$50,221.**

Toronto LP-02 (Step 5) Transition Example

A step 5 Toronto LP-02 with a July 15 anniversary date would transition to the new single pay grid as follows:

- Pay under the 2021 pay grid is \$138,476.
- Transition to step 5 of the new single pay grid effective May 10, 2022, with new rate of pay of \$145,114.
- Advance to step 6 on July 15, 2022, with a new rate of pay of \$151,934.
- New rate of pay effective May 10, 2023, of \$157,275.
- Advance to step 7 on July 15, 2023, with a new rate of pay of \$164,667.
- New rate of pay effective May 10, 2024, of \$168,381.
- Advance to step 8 on July 15, 2024, with a new rate of pay of \$176,294.
- New rate of pay effective May 10, 2025, of \$179,820.
- Advance to step 9 on July 15, 2025, with a new rate of pay of \$188,274.
- TOTAL INCREASE DURING THE TERM OF THE COLLECTIVE AGREEMENT: **\$49,798.**

COMPARISON OF NATIONAL AND TORONTO LP-02s AT THE TOP LOCK-STEP

National LP-02 (Step 8) Transition Example

A step 8 National LP-02 (top lock-step) with three or more years of service at that level would transition to the new single pay grid as follows:

- Pay under the 2021 pay grid is \$158,449.
- Transition to step 11 of the new single pay grid effective May 10, 2022, with new rate of pay of \$191,157.
- New rate of pay effective May 10, 2023, of \$197,877. • New rate of pay effective May 10, 2024, of \$202,339.
- New rate of pay effective May 10, 2025, of \$206,385.
- TOTAL INCREASE DURING THE TERM OF THE COLLECTIVE AGREEMENT: **\$47,936.**

Toronto LP-02 (Step 11) Transition Example

A step 8 Toronto LP-02 (top lock-step) would transition to the new single pay grid as follows:

- Pay under the 2021 pay grid is \$182,413.
- Transition to step 11 of the new single pay grid effective May 10, 2022, with new rate of pay of \$191,157.
- New rate of pay effective May 10, 2023, of \$197,877.
- New rate of pay effective May 10, 2024, of \$202,339.
- New rate of pay effective May 10, 2025, of \$206,385.
- TOTAL INCREASE DURING THE TERM OF THE COLLECTIVE AGREEMENT: **\$23,972.**

(It should be noted that the total increase for the Toronto LP-02 (Step 11) is less than the total increase for the National LP-02 (Step 8) because the pay of the Toronto LP-02 is already higher than the National LP-02's pay (i.e., \$182,413 vs. \$158,449 for the National LP-02).

COMPARISON OF MID-LEVEL NATIONAL AND TORONTO LP-03s

National LP-03 (Step 4) Transition Example

A step 4 National LP-03 with a July 15 anniversary date would transition to the new single pay grid as follows:

- Pay under the 2021 pay grid is \$159,790.
- Transition to step 4 of the new single pay grid effective May 10, 2022, with new rate of pay of \$175,800.
- Advance to step 5 on July 15, 2022, with a new rate of pay of \$184,063.
- New rate of pay effective May 10, 2023, of \$190,533.
- Advance to step 6 on July 15, 2023 date with a new rate of pay of \$199,486.
- New rate of pay effective May 10, 2024, of \$203,985.
- Advance to step 7 on July 15, 2024, with a new rate of pay of \$213,573.
- New rate of pay effective May 10, 2025, of \$217,845.
- Advance to step 8 on July 15, 2025, with a new rate of pay of \$228,083
- TOTAL INCREASE DURING THE TERM OF THE COLLECTIVE AGREEMENT: **\$68,293.**

Toronto LP-03 (Step 4) Transition Example

A step 4 Toronto LP-03 with a July 15 anniversary date would transition to the new single pay grid as follows:

- Pay under the 2021 pay grid is \$167,758.
- Transition to step 4 of the new single pay grid effective May 10, 2022, with new rate of pay of \$175,800.
- Advance to step 5 on July 15, 2022, with a new rate of pay of \$184,063.
- New rate of pay effective May 10, 2023, of \$190,533.
- Advance to step 6 on July 15, 2023 date with a new rate of pay of \$199,486.
- New rate of pay effective May 10, 2024, of \$203,985.
- Advance to step 7 on July 15, 2024, with a new rate of pay of \$213,573.
- New rate of pay effective May 10, 2025, of \$217,845.
- Advance to step 8 on July 15, 2025, with a new rate of pay of \$228,083
- TOTAL INCREASE DURING THE TERM OF THE COLLECTIVE AGREEMENT: **\$60,325.**

COMPARISON OF NATIONAL AND TORONTO LP-03s AT THE TOP LOCK-STEP

National LP-03 (Step 6) Transition Example

A step 6 National LP-03 (top lock-step) with two or more years of service at that level would transition to the new single pay grid as follows:

- Pay under the 2021 pay grid is \$175,163.
- Transition to step 8 of the new single pay grid effective May 10, 2022, with new rate of pay of \$211,254.
- New rate of pay effective May 10, 2023, of \$218,679. • New rate of pay effective May 10, 2024, of \$223,611.
- New rate of pay effective May 10, 2025, of \$228,083.
- TOTAL INCREASE DURING THE TERM OF THE COLLECTIVE AGREEMENT: **\$52,920.**

Toronto LP-03 (Step 8) Transition Example

A step 8 Toronto LP-03 (top lock-step) would transition to the new single pay grid as follows:

- Pay under the 2021 pay grid is \$201,590.
- Transition to step 8 of the new single pay grid effective May 10, 2022, with new rate of pay of \$211,254.
- New rate of pay effective May 10, 2023, of \$218,679. • New rate of pay effective May 10, 2024, of \$223,611.
- New rate of pay effective May 10, 2025, of \$228,083.
- TOTAL INCREASE DURING THE TERM OF THE COLLECTIVE AGREEMENT: **\$26,496.**

(It should be noted that the total increase for the Toronto LP-03 (Step 8) is less than the total increase for the National LP-03 (Step 6) because the pay of the Toronto LP-02 is already higher than the National LP-03's pay (i.e., \$201,590 vs. \$175,163 for the National LP-03).

Where Do Articling Students and LP-01 lawyers stand under the tentative agreement?

Our LP-00 articling students will see the top of their pay range rise from \$90,745 to \$98,438 (2023 rates of pay). That's actually 30% above the top pay rate for Ontario government articling students (\$75,781). By the end of a four-year collective agreement, the top LP-00 lock-step will be \$102,671.

Nevertheless, the challenge here is not what our articling students could be paid; it's what they are being paid. In most locations across the country, articling students are being paid less than \$53,000.

As we said in the ratification materials, the AJC will ramp up its advocacy efforts with employing departments to try to ensure that the pay articling students are actually receiving is comparable to Ontario government articling students.

Under 2023 pay rates, the top of the LP-01 pay grid will be \$123,325 – which is within 4% of the Ontario CC1 comparator (\$128,050). We would have liked to get higher rates of pay for LP-01s, but we were constrained by comparability and the need to get Treasury Board’s agreement.

That said, LP-01s will become LP-02s if they remain in the public service. Upon promotion, former LP-01s will benefit greatly from the improved pay range for LP-02s. Therefore, I urge our LP-01s to consider the future benefits of the tentative agreement upon their promotion to the LP-02 level. They then enter an LP-02 pay grid which will range from \$127,825 to \$202,339 effective May 10, 2024.

In addition, the AJC has and continues to advocate strongly for improvements to the LP-01 to LP-02 progression program based on the extensive feedback we received from our recent survey. Our goal is to speed up promotions to the LP-02 level. We’re recommending that LP-01s be promoted when they meet the competencies rather than making everyone wait four years (regardless of whether they have already met the competencies).

What about transition issues?

Some members have raised issues relating to the transition to a single pay grid. Many of these issues relate to individual circumstances involving promotions, acting assignments, etc. Other issues relate to the transition of National LP-04s to the new single pay grid.

When managing the implementation of such a significant increase in pay as part of a migration to a more equitable pay grid, it is common to have issues like this. It happens regularly in job evaluation and pay equity exercises. The parties normally do their best to minimize significant problems.

The AJC will be in touch with the employer to discuss a fair and reasonable way to work out these issues.