

# **CUPE 2626**

**CANADIAN UNION OF PUBLIC EMPLOYEES – LOCAL 2626**

Union of Student Workers at the University of Ottawa

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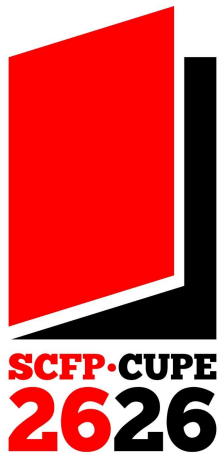
# **Defence Fund**

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A **CUPE 2626** POLICY

Original version in English

Pending approval



The present Defence Fund Policy seeks to complete the CUPE 2626 Bylaws regarding the Defence Fund (Bylaw 16.1), and simplify the Bylaws by removing policy and procedural aspects.

## **A. PURPOSE**

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The purpose of the CUPE 2626 Defence Fund is to provide :

1. **in the times of strike or lockout of members of CUPE 2626**, the funds for the operation of CUPE 2626, to ensure substantial strike pay to members on strike/lockout, and to complete the strike/lockout successfully;
2. **in the times of strike/lockout of members of another Local similar to CUPE 2626**, the funds to give the other Local a loan without interest;
3. **in the times of collective bargaining**, the funds in order prepare for the possibility of a strike or to pay the costs related to the arbitration process.

The goal of having an annual contribution to the Defence Fund that varies with our assets is to strike a balance between:

- having sufficient funds available for the purposes of the Defence Fund and
- improving services and benefits for members once sufficient funds have been accumulated for the purposes of the Defence Fund.

## **B. DEFINITIONS**

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“Unrestricted assets” means amounts in CUPE 2626 assets that do not have restrictions as to the purpose or time of their use.

“Liquid assets” are those which can be used immediately or almost immediately, such as cash and cash equivalents.

“Strike Cost” means the estimated amount necessary to operate CUPE 2626, to ensure substantial strike pay to members performing strike work and to complete the strike/lockout successfully for the entire period of a given strike or lock-out situation. Note: This cost depends heavily on the amounts and availability of financial support from the CUPE National Defence Fund.

## **C. CONSIDERATIONS**

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### **SUFFICIENT FUNDS TEST**

Since a strike or lockout of CUPE 2626 members is the most costly of the 3 purposes of the Defence Fund, comparing assets to the Strike Cost shall be used as the test of the sufficiency of the amount of restricted assets in the Defence Fund.

### **INSUFFICIENT FUNDS**

When the Defence Fund contains less than the Strike Cost, the annual contribution to the Defence Fund shall be at its maximum, representing at least **10%** of the members' union dues.

## **UNRESTRICTED ASSETS**

If the Defence Fund does not have sufficient funds, an amount of unrestricted assets will be transferred as promptly as possible to the Defence Fund (and therefore restricted) so that the Fund has sufficient funds for the Strike Cost, unless the unrestricted assets are insufficient to do so.

When the unrestricted assets are sufficient to bring the restricted assets in the Defence Fund up to the Strike Cost, but are not sufficient for a second Strike Cost if it were to occur, the annual contribution to the Defence Fund can be at a median rate, representing at least **6%** of the members' union dues.

## **TOTAL ASSETS**

When the total (restricted and unrestricted) assets of CUPE 2626 are greater than double the Strike Cost, the annual contribution to the Defence Fund should be at its minimum, representing at least **2%** of the members' union dues.

## **OPERATING SURPLUSES**

At the end of the fiscal year, all surpluses from the operating budget will be deposited in the Defence Fund until it has accumulated restricted assets greater than double the Strike Cost.

If the Defence Fund has accumulated greater than double the Strike Cost, any surplus in the operating budget will be left as unrestricted assets and can be used for services or benefits to the members of CUPE 2626.

## **INVESTMENT INCOME**

The interests generated by the Defence Fund will remain in the Defence Fund until it has accumulated restricted assets greater than double the Strike Cost.

If the Defence Fund has accumulated greater than double the Strike Cost, the income from the investment of the Defence Fund can be used for new services or benefits to the members of CUPE 2626.

## **STRIKE COST**

The costs of strike/lockout include but are not limited to the following:

Start-up costs:

- Off-site physical union office
- Outdoor toilet facilities for picketers

- temporary staff, Picket Captains, Strike pay administrator, etc.
- Internet and phone service
- Promotional material

Costs during strike/lockout:

- Strike Pay for picketers
- Food and drink for picketers
- Childcare for picketers

The Strike Cost depends heavily on the amount and availability of the CUPE National Strike and Defence Funds.

## **D. AMOUNTS FOR CONTRIBUTIONS**

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The Secretary-Treasurer and the Finance Committee are responsible for the contributions to the Defence Fund.

The Strike Cost will be calculated by the Treasurer and the Finance Committee. This calculation will be approved and adjusted as need be by the EB.

The Total Assets will be the total of restricted and unrestricted assets indicated on the Financial Statements prepared by the external auditor, and updated by the Treasurer and the Finance Committee. This calculation will be approved and adjusted as need be by the EB.

The annual contribution to the Defence Fund should be a percentage of the dues paid by members of CUPE 2626, determined in the following manner:

- If the **total assets are less than the Strike Cost**, the contribution to the restricted assets of the Defence Fund shall represent at least **10%** of the members' union dues.
- If the **total assets are between one and two times the Strike Cost**, the contribution to the restricted assets of the Defence Fund shall represent at least **6%** of the members' union dues.
- If the **total assets are more than twice the Strike Cost**, the contribution to the restricted assets of the Defence Fund shall represent at least **2%** of the members' union dues.

## **E. PROCEDURE FOR WITHDRAWALS**

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The Secretary-Treasurer and the Executive Board are in charge of managing withdrawals from the Defence Fund.

### **SIMILAR CUPE LOCALS**

When another Local similar to CUPE 2626 is on strike, the EB has the power, by a 3/4 majority vote, to give the other Local a loan without interest for an amount up to the total value of the interests generated by the Defence Fund for the current year.

### **ARBITRATION DURING COLLECTIVE BARGAINING**

Should it become necessary during the period of collective bargaining to go to arbitration, the EB will authorize the payment, from the Defence Fund, of the costs related to the arbitration process which have to be paid by CUPE 2626 should the amounts available in Arbitration Fund be insufficient.

### **PREPARING FOR STRIKE/LOCKOUT**

Upon recommendation of the BC and by a 3/4 majority vote by the EB to that effect, certain sums can be used by the EB in order to prepare for the possibility of a strike/lockout; this is only allowed in periods of collective bargaining.

### **DURING STRIKE/LOCKOUT**

In times of strike/lockout, the funds necessary to the normal operation of CUPE 2626 as well as the funds required to complete the strike/lockout successfully will be withdrawn from the Defence Fund of CUPE 2626.

## **INVESTMENTS**

The investments of the Defence Fund amounts shall be done in accordance with the Investment Policy Statement of CUPE 2626.

Amounts in the Defence Fund shall be invested in a manner that they become liquid assets just prior to or during a period of collective bargaining.

Liquid assets in the Defence Fund may be invested over longer timelines after a new Collective Agreement is ratified by both parties.

## **F. CONFIDENTIALITY**

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The amounts involved (Total Assets, contributions and amount of the Defence Fund, etc.) will not be made public, as this is important strategic information for our labour relations with the Employer.

Members may request to view the most recent audited Financial Statements for information, but may not make copies and must not share that information with non-members.

## **G. LIMITATIONS**

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### **APPROVAL AND MODIFICATION**

The General Assembly will approve the Defence Fund Policy, and any modifications thereto, by motion duly presented, seconded and approved by a simple majority.

### **COMING INTO EFFECT**

Following the approval of the modifications to the Defence Fund Bylaw and Policy by the General Assembly of CUPE 2626 and the CUPE National President, the changes of the Defence Fund calculations shall be retroactive to the fiscal year starting May 1, 2017.