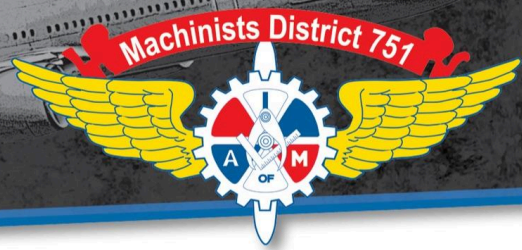


2024 CONTRACT FACTS ISSUES IN FOCUS



Compounding Wage Example

Wage increases that compound over time put more money in your pocket. Compound growth means that each annual general wage increase is being applied to a wage that will grow each year of the contract. For instance, 5% of \$80,000 is more than 5% of \$75,000. Below is an example of how the compounding wages in the latest proposal would lead to higher increases over time for a member at Labor Grade 4.

Example of what we have achieved within the new proposal:

Let's take the example of a member at Labor Grade 4: You start with the September 2023 maximum rate of \$42.55 and then add the COLA fold-in of \$0.44 which adds up to \$42.99 per hour. Note: This is what shows on the June 2024 wage card. The June 2024 wage card is included on a following page for reference. This year, upon ratification, you would receive a 12% general wage increase (GWI).

- In the first year, the 12% GWI gives you an increase of \$5.16 per hour, bringing your hourly rate to \$48.15.
- In the second year, your 8% GWI is calculated on the new \$48.15, *not just the original \$42.99*, so you receive an increase of \$3.85, bringing your hourly rate to \$52.00.
- This pattern continues, with each year's GWI being calculated on the previous year's higher hourly rate, leading to a larger overall increase over time due to the compounding effect.

Note: The GWI is calculated off the current wage card of June 2024 (included on next page) or each individual's current Wage Rate.

Step-by-step breakdown of wage progression under new proposal at Labor Grade 4 at Max Rate:

- Year 1:
 - September 2023 hourly rate: \$42.55 + COLA fold-in \$0.44 = \$42.99
 - GWI of 12% ($\$42.99 \times 0.12$) = \$5.16
 - New hourly rate ($\$42.99 + \5.16) = \$48.15

- Year 2:
 - Starting hourly rate: \$48.15
 - GWI of 8% ($\$48.15 \times 0.08$) = \$3.85
 - New hourly rate ($\$48.15 + \3.85) = \$52.00

- Year 3:
 - Starting hourly rate: \$52.00
 - GWI of 8% ($\$52.00 \times 0.08$) = \$4.16
 - New hourly rate ($\$52.00 + \4.16) = \$56.16

- Year 4:
 - Starting hourly rate: \$56.16
 - GWI of 7% ($\$56.16 \times 0.07$) = \$3.93
 - New hourly rate ($\$56.16 + \3.93) = \$60.09

Summary:	Year 1	Year 2	Year 3	Year 4
Increase of...	\$5.16	\$5.16	\$5.16	\$5.16
Additional Increase of...		\$3.85	\$3.85	\$3.85
Additional Increase of...			\$4.16	\$4.16
Additional Increase of...				\$3.93
Total Increase from Current (\$42.99) Wage:	\$5.16	\$9.01	\$13.17	\$17.10
New Wage*:	\$48.15	\$52.00	\$56.16	\$60.09
<i>*Not including any potential COLA in years 2-4. For information on how the COLA is calculated, go here.</i>				

Key takeaway: Compounding wage increases = higher increases over time.

FOR REFERENCE:

CURRENT / JUNE 2024 RATE CARD

LABOR GRADE	MINIMUM RATE *	MAXIMUM RATE
11	26.00	51.74
10	25.00	50.42
9	24.00	49.25
8	23.00	48.00
7	22.00	46.71
6	21.00	45.48
5	20.00	44.18
4	19.00	42.99
3	18.00	41.79
2	17.00	40.52
1	16.00	39.26
A	15.74	23.71

*Minimum wages as set by the State, individual cities, and municipalities could increase the Minimum per hour base rate.

Rates shown above are first shift.

Second shift: add \$1.00

Third shift: add .10 cents

Seniority progression increases of .50 cents will occur at 6 month intervals up to the Maximum Rate in accordance with Section 6.3(a) of the Bargaining Agreement.