

March 8, 2009

Canadian Human Rights Commission  
344 Slater Street,  
Ottawa, ON – K1A 1E1

Dear Madam/Sirs,

I am writing to inform you that the Association of Canadian Financial Officers (ACFO) has come to the conclusion that a pay equity complaint is necessary in order to secure fairness and justice for employee members at the FI-1 and FI-2 levels. As such, please find enclosed the pay equity complaint filed on behalf of these employees.

The ACFO Executive endorses this complaint. The Association has a pay equity committee that studied the issue and concluded that an equity problem exists. The committee recommended a bargaining proposal to address classification and pay problems that was ultimately placed before the employer during negotiations in 2007 and 2008 without success. Numerous conversations with employer representatives and senior financial advisers in the federal public service have led to one inevitable conclusion: no employer action is forthcoming.

Fairness and justice in the workplace is a general concept on which agreement with management representatives is easy to reach but action to effect change is next to impossible. This complaint is designed to achieve that change.

Further documentation concerning the FI Classification Standard, the Universal Classification Standard results, pay equity comparisons and collective bargaining proposal will be forwarded at your request.

ACFO has authorized two persons to represent the Association on this complaint for further information and discussions. Please contact either the complainant Karen Hall or ACFO General Counsel Deborah Cooper in this regard. Their contact information is included in the complaint package.

Your attention to this matter is respectfully requested.

Best Regards,



Milt Isaacs, CMA  
President and Chair of the Board of Directors  
Association of Canadian Financial Officers

/encl: pay equity complaint

**PAY EQUITY COMPLAINT**  
**FINANCIAL ADMINISTRATION OCCUPATIONAL GROUP**  
**LEVELS FI-1 & FI-2**

I, Karen Hall, am a member and vice president of the Association of Canadian Financial Officers (ACFO), chair of the ACFO pay equity committee and a member of the ACFO bargaining committee.

I do firmly believe there are reasonable grounds to allege that employees at levels FI-1 and FI-2 are discriminated against in their employment on the grounds of sex. Employees at the FI-1 and FI-2 levels perform work that is undervalued and underpaid. This discrimination results in unequal pay for work of equal value when the work responsibilities performed by FI-1 and FI-2 employees are compared with the work of other male dominated groups.

The FI-1 and FI-2 levels are female dominated with 63% women at level FI-1 and 56% women at level FI-2. The male predominant comparator groups used to illustrate unequal pay for work of equal value are as follows:

Commerce (CO) 58% male  
Computer Systems (CS) 71% male  
Engineering (EN-ENG) 82% male  
Meteorology (MT) 79% male

This classification and pay discrimination contravenes Sections 7, 10 and 11 of the *Canadian Human Rights Act*. This discrimination is ongoing and, as with any long-standing practice such as the federal government classification system, has a vast and complex history.

Though earlier dates could be selected and defended, ACFO has chosen the retroactive effective date for this complaint as August 1, 2004. This is the date the qualification standards for the FI Group at the FI-2 level and up were increased to include either a university degree with specialization in accounting, finance, business administration, commerce or economics or possession of eligibility for a recognized accounting designation (i.e. CA, RIA/CMA or CGA).

The work of FI-1 and FI-2 employees is undervalued and underpaid by the employer, Treasury Board, due to three employment practices:

- (i) the federal public service classification system;
- (ii) the Financial Administration (FI) Classification Standard; and
- (iii) the inability to address pay equity at the bargaining table

**(i) The federal public service classification system**

The current classification system has had no significant modifications since first created in the mid 1960s in preparation for collective bargaining. Occupational groups and sub groups were created with the sole purpose of comparisons with the private sector. No thought was given to comparisons between occupational groups within the public service and certainly no thought was given to pay equity principles. The result is a biased system that does not allow for meaningful pay equity assessments.

**(ii) The Financial Administration (FI) Classification Standard**

The work of FI-1 and FI-2 employees is classified using the Financial Administration (FI) Classification Standard. This standard does not evaluate all work responsibilities performed by FI-1 and FI-2 employees nor does it permit the evaluation of work in a fair



and gender-neutral manner. The FI Classification Standard is a hierarchical standard that focuses on traditional management attributes. Specifically, the Standard:

- does not comply with the *Canadian Human Rights Act* requirements;
- does not comply with the Equal Wages Guidelines;
- does not reflect the four compensatory factors contained in Section 11 of the *Act*: Skill, Effort, Responsibility and Working Conditions;
- does not result in complete and accurate descriptions of work performed; and
- does not permit comparisons with the work of other male dominated occupational groups in the federal public service.

A fair, gender-neutral classification standard that recognized all duties and responsibilities performed by FI-1 and FI-2 level employees would result in very different pay entitlements than those that exist today for FI-1 and FI-2 levels. As an illustration, the Universal Classification Standard (UCS) results determined that current FI-1 and FI-2 level jobs would be dispersed over four different UCS classification levels.

A comparison of the factors contained the in FI and the UCS standards illustrates how traditional hierarchical classification standards ignore and undervalue certain work in comparison of the more comprehensive approach of the UCS. The FI Classification Standard contains five elements whereas the UCS measures sixteen elements of work as follows:

FI Classification Factors

EXPERTISE  
Financial  
Managerial and Interpersonal

NATURE OF WORK

NATURE OF IMPACT  
Influence  
Resources  
Organization

UCS Classification Factors

RESPONSIBILITY  
Information for the Use of Others  
Well-being of Individuals  
Leadership of Human Resources  
Money  
Physical Assets and Products  
Ensuring Compliance

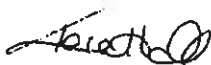
SKILL  
Job Content Knowledge  
Contextual Knowledge  
Communication  
Motor and Sensory Skills

EFFORT  
Intellectual Effort  
Sustained Attention  
Psychological / Emotional Effort  
Physical Effort

WORKING CONDITIONS  
Work Environment  
Risk to Health

The employer concurs in the need for modernization of the FI Classification Standard as the Canada Public Service Agency in its 2006 Annual Report *Modernizing the Classification System* identified the FI Classification Standard as a priority project to be underway or completed in 2007-2008. These dates have come and gone but no action has occurred.

The employer has at times taken the position that a complete overhaul of the public service classification system is needed. The development of the UCS, which would have allowed across occupational group comparisons and make pay equity comparisons possible, was an employer goal from 1990 to 2002. It is these employer-sanctioned UCS results that make the across group comparisons possible to substantiate this complaint.



The UCS data available to ACFO indicates a clear rationale for comparisons between the FI-1 and FI-2 levels and other male dominated groups. For example, as stated earlier, FI-1 and FI-2 employees are not homogenous with the same work value. FI-1 and FI-2 positions would rate very differently with a fair unbiased evaluation system. Specifically, the employer's UCS data supports the following:

**FI-1 LEVEL**

40% of FI-1 positions are underpaid by \$10,000 to \$19,000 when work of equal value in the CS and MT groups is compared.

A further 15% of FI-1 positions are of equal value to CS 3, ENG 3 and MT 5 positions and are underpaid up to \$25,000.

**FI-2 LEVEL**

The UCS data supports that a wage gap of \$14,000 exists for 47% of FI-2s when comparisons to the CS and MT 5 groups are made.

It should be noted here that only annual salary rates were used to calculate these wage gaps. The payment of allowances is expected to be controversial and these allowances affect most groups under discussion. Obviously these are part of wages but were not included so as not to confound the wage gap discussions.

**(iii) The inability to address pay equity at the bargaining table**

Pay inequity issues are found in both the pay rates and allowance portions of pay.

The allowance negotiated in the past accorded 2% to levels FI-1 and FI-2 and 3% and 4% to the higher levels. ACFO attempted to negotiate an equal amount for all levels but was left with the only choice of 2% for all levels or the employer's alternative of higher allowances for the FI-3 and FI-4 levels. Allowances for other male dominated groups vary widely and will need to be examined to determine a fair outcome.

ACFO has attempted to negotiate a process to study and resolve these pay equity and classification concerns during the last round of negotiations. The employer did not agree to this proposal.

The resolution of this complaint will require three distinct remedies:

- (i) the development of a classification standard which is capable of evaluating all work performed at the FI-1 and FI-2 levels in a fair and unbiased manner and is capable of inter-group comparisons;
- (ii) the establishment of rates of pay based on work value in comparison with other male-dominated groups in the public service; and
- (iii) the calculation of appropriate rates of pay, both ongoing and retroactive to August 1, 2004, plus appropriate allowances for the FI-1 and FI-2 levels, which reflect equal pay for work of equal value.

The above-described inequities have existed for some time. Therefore, retroactivity, at least to August 1, 2004, must be a part of the solution. Any solution must include damages and interest on any salary owed.

