

For immediate release

The Committee of Civil Servants Unions is yet to receive an answer from Government on the counter proposal submitted by the unions regarding 12.5% cuts on personnel salaries and benefits.

On Wednesday May 5, 2020 the Secretariat of the Committee of Civil Servants Unions (CCSU) and its members received an invite from the Council of Ministers to hold an urgent virtual meeting with all unions representing Civil Servants. This meeting was held outside of the legal platform as prescribed by the Legislation that governs Civil Servants labor rights (the LMA). This virtual meeting was held on Thursday May 6, 2020.

During this virtual meeting the unions present were verbally informed of specific cuts the Council of Ministers had approved and intended to implement based on the current Covid-19 reality on Sint Maarten. The Minister of Finance indicated to the unions that based on the urgency of the matter he hoped that an agreement could be reached during this meeting. The measures proposed were:

1. A 2% cut in salaries for all Civil Servants based on a freeze to the 2019 increment;
2. An 8% cut to all Civil Servants earning between Naf. 4000,- and 8.000,- based on a freeze to the 2019 increment and a 100% cut of the 2020 vacation allowance;
3. An 18% cut to all Civil Servants earning more than 8.000,- based on a freeze to the 2019 increment, a 100% cut of the 2020 vacation allowance and a 10% salary cut until then end of 2020;

The unions were also informed that a freeze would be implemented on all bonuses, one time monetary grants with the exception of jubilees and that the Pension Reform Legislation would be approved as is.

On receiving these measures verbally during the virtual meeting, the unions requested to receive the proposed measures in writing to be able to discuss these with its membership. The unions also informed the Council of Ministers that they would only be willing to continue discussions if the meetings would be held in an official CCSU platform based on the LMA, which the Council of Ministers agreed to.

The Council of Ministers submitted the cost cutting measures on Friday May 8 at 10:30 p.m. and requested to receive the counter proposal of the unions over the weekend before the tentatively scheduled virtual meeting on Monday May 11, 2020. The measures provided to the unions verbally during the virtual meeting on May 6, 2020, were not the same as the measures received digitally. The unions received a "discussion paper" containing 21 measures. The measures that directly affected the Civil Servants were the following:

1. Freeze (Postpone payment) bonuses for 2020 and 2021
2. Freeze (Postpone payment) gratification payments, with exception of jubilees
3. Freeze (Postpone payment) one-time financial awards
4. Apply existing exit policy as it relates to personnel (No extensions for pensioners)
5. Stop/reduce payment of vacation days not taken up
7. Implement possibilities to work part-time

8. Postpone periodic salary increments for 1 year
9. Reduce time-back for overtime
11. Fast-track increase retirement age for civil servants from 62-65 and calculate over average salary
13. Expedite placement of Civil Servants that are “boven formatief” (redundant)
14. Reduce vacation pay by 100% for 2020 and reduce vacation pay by 75% 2021

The unions indicated that they were not able to meet the deadline requested by the Council of Ministers to submit a counterproposal by the timeline given of Monday May 11, 2020. The unions also informed the Council of Ministers that they were unable to meet on such short notice and requested a meeting date that was feasible for both parties. An official meeting between both parties was held on Wednesday May 13, 2020. The unions did not submit a counter proposal prior to the meeting. During the meeting, the unions sought clarification as to the discrepancies between the original measures and the “discussion paper” submitted.

During the virtual meeting between the Council of Ministers and the unions, the unions were made aware of the “incompleteness” of the measures taken up in the “discussion paper” submitted on Friday May 8, 2020. The following measures were also to be taken up in the discussion paper:

- Public servants over NAf 8000: 10% cut on salary for the remainder of 2020 + no payment of vacation pay for 2020 and 25% payment in 2021 (vacation pay is included in overview);
- Public servants between NAf 4000 – NAf 8000: no vacation pay for 2020 and 25% payment in 2021 (vacation pay is included in overview);
- Public Servants under NAf 4000: vacation pay will still be paid.

The unions asked to adjourn the meeting based on the new information provided in order to caucus with its membership. Prior to adjourning the meeting a dialogue took place between one of the unions and the Minister of Finance in which the union representative asked the Minister if it would be possible to pay 100% vacation allowance for 2020 and start the negotiations for possible cuts to the vacation allowance of 2021. The Minister then informed the unions that this was the type of dialogue he was looking for and it is a pity that only at the end of the meeting this type of dialogue is being initiated. He is looking forward to debating proposals such as these and can look into the feasibility of proposals such as 50% vacation allowances, etc.

On Thursday May 14 at 11:40 p.m. the unions submitted a counter proposal to the Council of Ministers. This proposal focused primarily on cost cutting measures that do not affect the salaries and benefits of Civil Servants with the exception of the following measures:

- Cut allowances for Civil Servants who earn more than Naf. 8000,- until the end of 2020;
- Reduce all gas vouchers of (or park all government vehicles after working hours that are driven by) department heads and Secretary Generals for 2020 & 2021.

On Friday May 22, 2020 another meeting was held between both parties. During the meeting the Minister of Finance had asked the unions to disregard the proposals submitted so far by both parties, as it was imperative to make new calculations and proposals based on the agreements made between the Kingdom Government and the Council of Ministers of Sint Maarten. The unions urged the Minister of Finance to consider all possible cuts on the personnel

package before touching salaries and vacation allowances of Civil Servants. The Minister of Finance agreed to look into all other personnel costs prior to touching salaries and vacation allowances and requested until 12:00 p.m. on Monday May 25, 2020, to submit a new proposal to the unions.

On Monday May 25 at 3:00 p.m. the new proposal was submitted to the unions to be discussed with their members. The submitted cost cutting measures were as follows:

1. No travel for remainder of 2020 (Reis en Verblijf Kosten/Travel Expenses NAF 1.261.115 that has not been spent as yet);
2. Cut in all uniforms budget (NAF 950.000 that has not been spent as yet);
3. Vacation Allowance to be paid 50% in 2020 and 50% in 2021 across the board (Savings of NAF 7.700.000);
4. A cut in Overwerk/Over-time that is not applicable to Front-Liners (NAF 1.121.398 has not been spent as yet).

Frontliners were identified as: the Fire Department, the Police Department, the Immigration and Border patrol, Customs, the House of Detention, the National detectives.

The Minister of General Affairs granted the unions permission to discuss the new proposal with its members on Monday May 25, 2020 during working hours from 3:00- 5:00p.m.

On Thursday May 28, 2020, the unions submitted a counter proposal to the proposal received on May 25th, 2020, from the Minister of Finance at 2:36 p.m. This proposal contained the following:

1. 100% payout for 2020 of the vacation pay, to be paid no later than June 30th, 2020.
2. Unions are willing to negotiate 50% of the Cost of living Adjustment from 2012 to 2019 pending the outcome of St. Maarten's economic performance and Governments financial position during said period 2021-2022.
3. Initiate a poverty line study in collaboration with USM and the Consumer's coalition by July 1st 2020 to establish the actual poverty level on St. Maarten;
4. Implement a new/broadened Basket of Goods decree by July 1st 2020 that consists at least of maximum prices for basic goods such as:
 - i. Lower the cost of basic needs by at least 12.5% by July 1st 2020 until further notice (food, internet, water, rent, electricity, phone bill, etc);
 - ii. Accelerate placement process of the Police before July 1st 2020;
 - iii. Initiate implementation of an Economic stimulus plan by July 1st 2020;
 - iv. Increase the fees for directors from Naf 500 to Naf1000
5. See counter proposal submitted on May 14, 2020 for further details.

During a meeting held on Thursday May 28, 2020 after much deliberations the Council of Ministers and the unions agreed in principle (yet to be ratified) to the following:

1. No travel for remainder of 2020 (Reis en Verblijf Kosten/Travel Expenses NAF 1.261.115 that has not been spent as yet);
2. Cut in all uniforms budget (NAF 950.000 that has not been spent as yet);
3. A cut in Overwerk/Over-time that is not applicable to Front-Liners (NAF 1.121.398 has not been spent as yet).

4. Initiate a poverty line study in collaboration with relevant stakeholders to establish the actual poverty level on Sint Maarten.
5. Implement a new / broadened basket of goods and look into the cost of living in discussion with relevant stakeholders.
6. Accelerate the process for placement of Police.
7. The proposed counter proposals mentioned in the letter dated May 14, 2020, will be further reviewed to determine whether the proposals are feasible and realistic for the future.

However, the Minister of Finance indicated that cuts still had to be made to the vacation allowance to meet the 12.5% condition of the Kingdom Government. At that point an observer suggested via the unions that are officially represented in the CCSU if it would be possible for the Government to still pay the vacation allowances in full through a "I owe you" structure.

The Minister of Finance at that point requested a day to submit revised proposals that would contain such structure, under the condition that liquidity would allow such after 2022. On Friday May 29, 2020 at 1.46 p.m. the following proposal was submitted:

- Vacation Allowance to be paid 50% in 2020 and 50% in 2021 across the board (Savings of NAF 7.700.000. Our original proposal to pay out 50% of the vacation allowance for the years 2020 and 2021 is supplemented by introducing an annual compensation as of the calendar year 2022. The amount of the annual compensation does not exceed 25% of the total of the vacation allowances that were not paid out in 2020 and 2021. These payments will take place until the total amount of the vacation allowances, which were not paid in 2020 and 2021, are fully compensated and is subject to the future financial developments and liquidity position of the government).

The unions in a letter submitted on June 1, 2020 at 2:52 p.m. submitted a counterproposal requesting the following:

- A deferral of 50% of the vacation allowance in 2020 and 2021;
- Repayment of the deferred vacation allowance by means of payment of vacation allowance at the rate of 125% in 2020 until 2025;
- Said proposal is ratified via decree (LBham) by June 30, 2020.

The unions requested on Wednesday June 3, 2020, via the Secretariat of the CCSU a response from the Council of Ministers regarding their position on the counter proposal that was submitted on June 1st, 2020, as no response was received. The Secretariat of the CCSU sent a reminder on June 5, 2020, to date, June 9, 2020 no response has been given by the Council of Ministers to the unions regarding their position on the counter proposal submitted on June 1, 2020..

It is important to note that the Secretariat of the CCSU functions as a neutral unbiased body that aims to bring the unions represented in the CCSU and the Council of Ministers together in an effort to reach mutual agreements that benefit both parties. However, based on the different inaccuracies in press briefings, press releases and interviews stating that agreements have been made between both parties, the Secretariat felt it necessary to inform the general public and more importantly, the Civil Servants as to the current state of affairs on the critical matter of cost cutting measures to personnel costs by 12.5 percent.