



# Ministry for Public Health, Social Development & Labor

## DEPARTMENT OF LABOR

To: The Board of the  
Windward Islands Health Care  
Union Association

Present

Philipsburg, March 21<sup>st</sup>, 2011

Dear Sir,

In reference to the meeting held on Friday, March 18<sup>th</sup>, 2011 at the conference-room of the St. Maarten Medical Center, in which the initiated form of action (appearing to work without prescribed uniforms) of your members was extensively discussed, please allow the following to be brought to your attention.

During said meeting you were requested numerous times to discontinue the action in motion by 7:00 hours on Saturday, March 19<sup>th</sup>, 2011.

Notwithstanding the Government Mediator's strong appeal, you refused to follow instructions, which is a flagrant disregard and disrespect towards the Office of the Government Mediator.

As a result it has been decided to suspend further meetings until discussions are held with parties separately in an attempt to reach a permanent solution and understand.

For the sake of completeness you are hereby informed that proper note has been taken of the contents of your letter, dated March 19<sup>th</sup>, 2011.

Respectfully,

Government Mediator's

D. E. Holiday

K. E. Lopes

# Memo

To: Employees SMMC  
 From: Management Team  
 Date: March 21, 2011  
 Re: CLA Negotiations Status

Dear all,

It has come to Management's attention that there is some misunderstanding about the status of the CLA negotiations. We feel it is our responsibility to provide clarity on this issue.

Management has the responsibility to provide good governance and leadership as stated in our laws. From the beginning we formulated guiding principles to negotiate the new CLA. The guiding principles are as follows:

**1. Performance based evaluation**

Union and SMMC mutually agreed to introduce a performance evaluation system to be the basis for remuneration.

**2. Continued education**

Continued education and enhancement of professional expertise are crucial for SMMC to provide a high level of care. These two factors will lead to improved performance which translates into personnel benefits based on the performance evaluation system.

**3. Scarcity allowance**

We recognize that certain crucial positions are hard to fill. To attract professionals to fill these positions the Union and SMMC agreed to introduce a scarcity allowance. This allowance needs to fit within our overall salary structure.

**4. Cost of Living Adjustment**

The Union and SMMC agreed on a structure to compensate for the Cost of Living Adjustment in 2010.

**5. Financial position of SMMC**

The financial position of SMMC is largely dependent on the tariff structure as set by Government. To date there is no clarity on a new structure that should have been implemented after St. Maarten received country status. Additionally, SMMC is limited by necessary and urgent investments in critical care and expansion of the building.



SMMC has remained consistent to these principles throughout the negotiations.

The Union brought a proposal to the negotiation table that was discussed in the presence of the Mediator on March 16<sup>th</sup>, 2011. It should be clearly stated that SMMC has not rejected any proposal from the Union. However, the financial proposals from the Union are not in line with aforementioned principles.

The implementation of the FWG salary structure in 2009 and 2010 alone, lead to an increase in personnel expenses with approximately 8%. The total personnel expenses for 2010 were Naf. 16,3 million. The Union's proposal would lead to a total personnel expense of at least Naf. 19,3 million. This represents an increase of at least 18% notwithstanding the accumulated effect of indirect costs and implied costs that has not yet been quantified, such as additional free days.

Attached document shows the calculated breakdown of the Union's financial proposals per CLA article.

SMMC has provided the Union with full financial disclosure. Our financial position clearly indicates that we cannot afford the Union's proposal. The disproportional increase in total personnel expenses will lead to a collapse of the SMMC.

That is the reason that SMMC again proposed to discuss the points of departure regarding the new CLA during the last meeting with the Union in the presence of the Mediator. In addition, SMMC requested that the Union motivates its financial proposals. We are awaiting the Union's response.

Considering the recent action of the Union the Mediator has suspended the CLA negotiation meetings until further notice.

As a responsible employer, SMMC has the intention to work together with the Union to reach a realistic and sustainable agreement regarding the new CLA.

Sincerely,  
On behalf of the Management Team and Board of Directors,



Dr. George Scot  
President of the Board of Directors

CC: Minister of Health Care, Social development and Labor  
Government Mediator

art.	Summary	New	proposal	quantifier		extra budget shared in ANS 1,000	
art. 10	In case employee didn't get a lunch break, time will be regarded as overtime and paid at 200% (e.g. dep. ICU, OR, Dialysis)	0%	200% of base salary		new	PM	
art. 18	Inflation adjustment	50%	100% of inflation%		100%	193.8 assume	3.50%
art. 19	scarcity allowance - financial implication union referred to a discussion in the past where a 10% increase on the base salary across the board discussed.		10% of base salary		new	1,107.2	PM
art. 19	Union states that vacation pay is now calculated wrong; it is now calculated over the base salary and it should be over salary including the "vaste toelagen" (see art. 26 current CLA) proposal to not consider "vaste toelagen" but to raise to 10% over base salary.		10% of base salary		43%	305.0	
art. 21	increase irregular hours allowance; rational; current amount not enticing to recruit new employees.				Question is which allowances were/are fixed and which not		
art. 22	Irregular hours Monday to Friday from 18:00 - 06:00	15%	20% of base salary		33%		
art. 22 sub 1	Irregular hours Saturday 18:00 - 06:00	20%	25% of base salary		25%	97.0 assume avg.	25% increase
art. 22 sub 2	Irregular hours Sunday and holidays etc.	25%	30% of base salary		20%		
art. 24 sub 2	allowance for on-call shift	150.00	200.00 Naf		33%	PM	
art. 24 sub 4	allowance for on-call shift (less that 1 time/2 weeks)	85.00	100.00 Naf		18%	PM	
art. 26 lid 5	X-mas bonus 13de maand	500.00	100% of base salary		new	922.7	
art. 34	vacation days raise across the board with 2 days; rational; more attractive for new recruits; regarding implementation: when additional day is added: - B-day between jan - jun: same year; - B-day between july - dec: next year						
art. 34	all employees 2 additional days		2 days				
art. 34 sub 1	start amount vacation days	18	20 days		11%	84.8	
art. 35 sub 2.5	Re. Heilige Communie - free day may also be taken up the Friday or Monday; rational; in order to prepare for or to rest low the party.....	0	1 day		how often does this occur?	PM	
art. 35 sub 2.7	decrease - add grand children	0	1 day			PM	
art. 35 sub 2.8	decrease - nieces and nephews	1	3 days		too vague and why 3 days?	PM	
art. 35 sub 2.14	free days after female partner has delivered	2	5 days			PM	
art. 35 new sub 2.15	if the funeral of persons mentioned under sub 7 and 8 take place abroad request to get additional days	0	2 days			PM	
art. 38	regarding prestatie belonging - financial implications					PM	
Additional points to consider:							
	Implications of proposal on pension plan expenses				in principle 6% on pension base increase	78.1	
	Implications of proposal on Nagico Health Insurance expenses				?		
	Implication on employers burden social security charges					271.8 assume	10.03%
					<b>Total</b>	<b>3,060.3</b>	excluded PM. (PM= not quantified)