
Downsizing deals - US Steel recalls 63 workers

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US Steel will bus 63 laid off steelworkers from Nanticoke to Hamilton in a bid to avoid paying millions in permanent severance. The workers were laid off from the pickling lines at US Steel's Lake Erie plant in March, when the firm shut down its Canadian operations.

Under the Employment Standards Act, companies must offer permanent severance to employees who are laid off for 35 weeks.

Mr Rob Newstead unit chair for the employees said that "We're coming up to that point now. We asked if they were doing this to avoid severance and they said yes. Point blank."

Without a recall, US Steel would have to pay one week's severance for each year of employee service, or about USD 30,000 to USD 34,000 per worker. The recall will probably only last 17 weeks, long enough to satisfy requirements under Ontario labor law.

Mr Newstead believes it's likely that after 17 weeks, they would be laid off and left to rely on employment insurance again. The employees, who usually treat steel headed for finishing lines, will work four 10 hour shifts a week in Hamilton, performing general labor including maintenance and janitorial duties.

US Steel is embroiled in a Federal Court battle with the Canadian government over the shutdown of the former Stelco.

(Sourced from www.thespec.com)

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