

Bill Rea ? Paycheques are not guaranteed

I don't think there's a sensible person out there who didn't feel for Goodwill employees over what they had to deal with last week. It's not fun showing up for work one day and finding the doors are locked.

But unfortunately, that is also the way the real world works, sometimes.

I think it's clear the whole matter could have been handled with a lot more class, but it is also reality that adults have a bad habit of setting their class aside sometimes. What they set it aside in favour of is something of a mystery.

I know a woman who was driving to work one day about 25 years ago, listening to the 8 a.m. news on the radio. That's how she found out her company had just gone out of business and she was unemployed.

The fact is that companies, particularly those in the private sector, sometimes abruptly stop functioning, leaving the people who work for them asking a lot of questions and having no one to direct those questions to.

True, there are labour laws, which stipulate how employees are to be treated in such situations, including dealing with factors like paying them for services that have already been rendered. And there are other matters, such as severance, vacation pay, reimbursement for expenses, etc. So yeah, when an employer goes out of business, he or she is expected to do right by the people who have been working for them.

On the other hand, no matter how much money an employee is entitled to, if the bucks aren't there, they're not going to be distributed to those who are entitled to them.

That's a lesson in reality I learned the hard way a little more than 16 years ago. I had been working for a company for about five and half years. Things appeared to be solvent. Yet within 24 hours, my colleagues and I were listening to a bankruptcy trustee tell us to turn in our keys and remove all personal possessions from the office. We were all out of work.

To make matters worse, this all took place Dec. 17; like eight days before Christmas. Since that memorable day, I have never even thought of complaining about my Christmas bonus, no matter how big or small it might be. It could never compare with a pink slip. There were a lot of warning signs that all of us who worked in that office should have picked up on. But given the right circumstances, anyone can be naïve. We all had accepted the assurances from above that everything was okay. We suddenly learned such was not the case when we realized all of our paycheques were bouncing. This was a week to the day after we had all put our cheques in the bank. The upshot, the following day, was the bankruptcy trustee, acting on behalf of our former employers, told us we had all been working for free for the last three weeks (she didn't come out and say it in those words, but that was the very clear inference).

We were still owed for three weeks salary, and some of us were owed for expenses.

Some of the senior staffers had gotten into the habit, if office supplies were needed, to go to one of the local stores, collect what was required, pay for it with our Visas and submit copies of the receipts. The usual result would be an additional cheque to cover the expense in the next pay envelope. Several of us had done that many times, in full confidence that we would be reimbursed. No sweat.

But what if there was no next pay envelope? If memory serves, that amounted to about another 85 bucks I was out.

Of course there are stipulations that creditors get some of the proceeds once the assets of the bankrupt company are calculated, but a lot depends on who stands where on the pecking order of said creditors. We were told, at the time, by the trustee that employees enjoy a rather high spot on that proverbial ladder, but not the top rung. One of the local politicians where the company had been based (he was also a lawyer by training) told me I wouldn't likely be getting a lot, but what little there might be was better than nothing, so I should take it. He was close. In fact, we were told there was going to be nothing for the ousted staff. Owing to privacy considerations, I won't elaborate. Suffice to say I got the hook, being stiffed for at least three weeks salary, etc.

Thus, I was happy to learn Friday morning that the displaced employees at Goodwill would at least be getting the paycheques they are owed. Granted, we're not talking about a lot of money here. But whatever it is they're going to receive is better than nothing. I know from experience it could be a lot less.

But my sympathy for these people can only go so far. True, they got a bum deal, but life, unfortunately, is full of them.

We who work in the private sector, as I have done throughout my entire career, must appreciate the fact that we are guaranteed nothing. Granted, hard work will always serve one well in the long run, and a strong work record will come in handy when you need it (something else I learned when I suddenly found myself unemployed many years ago), but bad things do happen. We have to be ready for them.

And maybe those who work in the public sector should take a bit of note.

It is true that governments can run into debt a lot easier than private businesses.

There is nothing wrong with being in debt. Anyone who has ever had a mortgage knows that. The crucial point is making sure there's an exit strategy from said debt. I learned the hard way some 16 years ago what can happen when there's no such strategy. Yet it seems impossible these days for government to function without running a deficit. Justin Trudeau got elected Prime Minister with a promise to develop infrastructure that he doesn't have the money to pay for.

But even a government can run into heavy debt for only so long. People in Greece learned that little lesson a couple of years ago. If government debt gets too high, then those employees in the public sector might find out their positions aren't as secure as they might have thought. Some of them might find themselves suddenly out of work, without the compensation they might have been expecting. That is something I know a bit about.

If these people suddenly find themselves unemployed, they might find the government hasn't got the bucks to reimburse them.

Who's going to help those people out?

If someone comes up with money to help these folks out, is there any chance I'll get the three weeks pay I was stiffed out of years ago?