



QUFA ALERT!

Queen's University Faculty Association Bargaining Alert

ALERT 1 • 29 NOV. 2018 Context for Pension Conversion Negotiations

What QUFA Members should know about the jointly sponsored pension plan as bargaining for a new collective agreement begins

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QUFA and Queen's University have been engaged in discussions to explore solutions to the solvency payments and going-concern pressures facing the Queen's Pension Plan (QPP). For this reason, QUFA and the administration have been leading efforts to create a Jointly Sponsored Pension Plan (JSPP) designed for the postsecondary, university sector. The university has identified the financial pressures and risks of going-concern and solvency payments as a significant challenge to the institution.

The university reported that "The most significant budgetary challenge the University continues to face is the pension plan deficit" (Queen's University Budget Report 2018-2019, p. 1). Specifically, government requirements for pension solvency payments present a major cost and significant risk to the university. The creation and conversion to the University Pension Plan (UPP) provides the opportunity for the university to secure long-term

solvency relief and a plan that is sustainable going forward.

Without solvency relief, the costs of special solvency payments and the impact of those payments on university operations in general, and unit budgets in particular, will be significant:

Effective 1 September 2018 (under the regulations issued in October 2016), annual special payments to fund the solvency and going concern deficits amount to \$19.0M. Annual special payments of approximately \$50M per year would be required if no solvency relief provisions were in place. (Queen's University Budget Report 2018-2019, p. 24)

It is within this context of potential special solvency payments of \$50M annually that the parties have agreed to focus the 2019 renewal of the QUFA Collective Agreement (CA) on changes to the agreement and conversion to the UPP. The parties share a mutual interest in achieving a negotiated outcome that will save the university annual special payments of \$50M. The parties also share a mutual interest in achieving long-term stabilization of pension benefits within a sustainable JSPP. The conversion to a JSPP achieves these two critical objectives. To that end, Queen's and QUFA have worked with others to design a university-sector JSPP known as the UPP.

However, the conversion to the UPP also requires certain trade-offs for QUFA Members. For example, contribution rates will increase in

order to achieve a relatively equal, albeit more stable, guaranteed benefit by converting from the QPP hybrid plan to the UPP. Joint governance will provide a greater voice for QUFA Members in the plan's administration. At the same time, QUFA Members will directly assume 50% of the risk for payments of accrued benefits.

To offset the increased costs, increased risk, and other trade-offs for QUFA Members, QUFA executive and council have authorized the negotiating team to bargain a package of changes, some contingent on the formation of the UPP, some to come into effect as the next CA in May 2019. Consent of QUFA to the conversion to the UPP is contingent

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upon agreement on the conversion offsets, changes to the current CA, and ratification of these proposed offsets and changes by QUFA Members. The process for voting on negotiated changes and offsets will be reviewed at the fall general meeting on Wednesday 12 December 2018 at 1.15 p.m., in the Auditorium of Ellis Hall.

The negotiating team is composed as follows:

- **Elizabeth Hanson**, Co-Chief Negotiator
- **Rob Hickey**, Co-Chief Negotiator
- **Paul Young**, QUFA Pension Committee
- **Mike White**, JCAA
- **Melissa Houghtaling**, Council
- **Leslie Jermyn**, Staff Support
- **Micheline Waring**, Staff Support

This round of negotiations is unique because it is combining two kinds of changes to terms and conditions of work for QUFA Members: one set related to pension benefits, and one set related to the terms of the CA that governs working conditions.

Offsets

In terms of what we are calling “offsets” to encourage QUFA Members to agree to convert from the QPP to the UPP, we are looking to create a voluntary phased retirement process where Members can gradually reduce their work responsibilities in the lead-up to retirement. We know that many Members try to craft their own phased retirement by using the reduced-responsibility language in the CA, but this leaves each Member trying to negotiate an optional right on their own. A phased retirement process would be open to everyone.

We are asking that the new pension be open to everyone who qualifies under the Pension Benefits Act. This would include term adjuncts with

sufficiently intense workloads. Extending pension benefits to precarious academic workers was part of the initial impetus to create a university sector-wide pension.

The UPP will set retirement date as the first day of the month following your qualifying birthday (which could be as young as 60 with 20 years of service in the new pension plan). The QPP does not allow Members to retire until 1 July of the year following your 65th birthday. As these terms will have to be harmonized before the UPP starts to operate (projected as July 2021), we are asking that the new retirement date (the month following your 65th birthday) be implemented if QPP members vote to convert to the UPP in early 2019. This new right could vest on 1 July 2019.

With a jointly managed pension such as the UPP individual unions will no longer bargain pension benefits. Those will be determined by a sponsor board split equally between employee and employer groups. QUFA will initially have a seat on the UPP sponsor board, which may rotate to another faculty association should more universities merge their plans with the UPP in the future. To balance this loss of an important element of contract negotiations, we are asking for the return of a dispute resolution mechanism for monetary aspects of the CA. What this means is that if the parties (Queen’s and QUFA) cannot come to agreement on compensation values during regular bargaining, they have the right to ask for an arbitrated decision. This kind of mechanism generally ensures that there are fewer risks that the parties will need to resort to job action (strike or lockout) to reach an agreement.

Finally, given that the UPP has higher contribution rates than the QPP (along with higher rates of accrued benefits), we are asking for a monetary offset in the form of an ATB at the date of inception of the new plan.

These elements form a constellation of offsets that the negotiating team, with executive-committee authority, may add to or amend during negotiations. The goal will be to achieve a package of terms that will make converting to the new plan attractive to QUFA Members.

Terms of the New Collective Agreement

The negotiating team also has a broad mandate from executive and council to seek changes to the Queen’s-QUFA CA. Some of these are what we call “housekeeping,” meaning that they are pieces of contract language that the parties have to amend from time to time in keeping with new legislation (employment, health and safety, human rights, etc.). “Housekeeping” also refers to amendments that make the contracted proscription of a process conform to how the parties have already agreed the process should unfold. Among the housekeeping items we hope to resolve in this round are:

- changes to human rights grounds listed in the contract,
- appropriate language for referring to Indigenous peoples,
- bringing leaves into compliance with legislation, and
- extension of conflict-of-interest language to all hiring bodies.

There are a group of proposed changes that reflect work already underway by joint committees and informal working groups, including:

- clarifying processes and rules around creating unit-level workload standards,
- exploring alternatives to USATs,
- improving access to discipline investigation reports, and
- clarifying risks for Members who engage in intimate relationships with students.

A final group of non-monetary issues includes those that QUFA believes need to be changed to remove ambiguity or unfairness for Members:

- making the general right of reappointment for adjunct members independent of having acquired a specific right of reappointment;
- clarifying library head selection processes;
- adding 11s and 13s to the merit exercise;
- making some leave provisions more inclusive of diverse family arrangements, and
- clarifying some renewal, tenure, and promotion processes that have proven problematic over the past four years.

In terms of monetary gains, we are looking for a modest across-the-board (ATB) increase to salaries, and the option of adding a small research

component to the responsibilities of continuing adjuncts who have been promoted to associate professor. We are also asking that Queen's preserve the Bill-148 improvement to vacation pay (6% instead of 4%) for term adjuncts with five or more years of experience. We are proposing a three-year term in view of the current provincial government's threats to intervene in the near future in bargaining in the broader public sector.

Timeline

The consent process to authorize conversion to the UPP has been set to take place in the first six months of 2019. The Queen's-QUFA CA is set to expire on 30 April 2019. In order to hold the appropriate referenda with Members in early 2019, we are attempting to negotiate the full package (offsets plus CA) by the fall general meeting (on Wednesday 12

December 2018) so that we can bring you the proposed changes for consideration and begin an intensive campaign to inform QUFA Members about the issues at stake with the pension conversion and the changes to the CA. We expect this outreach to occur through the end of December and into January. It will culminate with an electronic vote, likely in early February.

Please contact QUFA (qufa@queensu.ca) if you have any questions or comments. We will be establishing an FAQ page soon on the QUFA Web site to address your concerns.

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