QUFA ALERT!

Queen's University Faculty Association Bargaining Alert

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University Unresponsive to QUFA Proposals

The QUFA bargaining team is disappointed in the University's lack of understanding about many aspects of the University Pension Plan conversion

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QUFA met with the University on Tuesday 4 December 2018 to receive the University's responses to QUFA proposals. We were dismayed by the University's complete lack of understanding about QUFA Members' concerns with regard to pension transition and the need to address these concerns if the University Pension Plan (UPP) project is to succeed.

QUFA Alert! 1 outlined the context for the parties initiating an early and compressed round of bargaining to renew the QUFA-Queen's University Collective Agreement (CA). It also describes the proposals QUFA brought to the table, and their justification. Broadly speaking, QUFA is seeking offsets for the costs our Members will incur should they instruct QUFA to consent to the conversion of the Queen's Pension Plan (QPP) to the UPP. These include a 2% across-the-board (ATB) one-time payment to offset increased contribution rates, a phased retirement plan to offset the loss of Members' ability under the QPP to activate their pensions (i.e., access their deferred compensation) and continue to work, a return to a Dispute Resolution Mechanism (DRM) that would preclude strike or lockout as the resolution to bargaining impasse on monetary issues, and 2% ATB increases in each of the three years of a renewed contract. In recognition of the speed and focus necessary to complete bargaining within the time frame of the pension conversion consent process, the parties agreed to limit severely the attention to normative matters in this round.

The University did not respond to most of QUFA's proposals. They proposed a two-year phase-in of increased contribution rates that would begin in 2020, a year before the inception of the UPP. The proposal would require Members to begin to pay the increased costs of the UPP before it was necessary, balancing the University's assumption of a slightly lesser amount of the employee's responsibility the following year. They are offering no offset for increased contribution rates. At the same time, the University proposes ATB increases of 1.0%, 1.0%, and 1.25%, amounts that barely exceed the phased-in increased contribution rates. As a result, the ATB increase for faculty and librarians is in effect 1.0%, 0.27%, and 0.52% across the three years of the CA. At the same time, the University secures permanent relief from the special solvency payments of $19M annually. The University also rejected the proposal for a return to a DRM to preclude lockouts or strikes over monetary issues.

The University did propose making unreduced retirement at age 60, which the UPP offers, also an option in the QPP at the inception of the UPP. This would be a welcome benefit for some QUFA Members, and we are interested in working with the University to achieve such a benefit for our Members. However, it is a feature of much greater interest to USW and CUPE Members; QUFA Members begin their careers later and therefore are more likely to wish to work until or past age 65. Our phased-in retirement proposal recognized that, and offset the substantial financial loss that some Members will

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incur with a more distributed benefit. The University ignored that proposal.

QUFA entered the UPP design process to help the University save $19M a year in special solvency payments. When the University's representatives state that the QPP is not sustainable, what they mean is that the solvency payments make continuing pension plan sponsorship unsustainable for the University. QUFA has recognized that the fact that this problem is fundamentally a political rather than an actuarial one does not make it less real, and has expended considerable effort over the past four years to help design a plan that will be attractive to our Members. Owing to the complexity of the JSPP plan design negotiations, involving three different universities and multiple unions, all the parties recognized the need for local transition bargaining from the outset of the process. Local consent bargaining is required to mitigate lost benefits, to offset increased costs, and to address any unmet local needs for all the various employee groups.

Now the University both refuses to apply any of its $19M per year solvency savings to offsets to help us bring this process to a fair conclusion but, in their proposals, they say we need in effect to make a special payment to the QPP as we exit it. The University's initial proposals are insulting to our Members and endanger the UPP process.

Nevertheless, we remain committed to negotiating entry to the UPP if there are both incentives tied to the initiation of the new plan and modest gains in the next CA. The negotiating team hopes the University will engage with the needs of QUFA Members in their next pass.

Note

[1]http://www.qufa.ca/wp-content/uploads/2018/11/1-QUFA-Alert-29-Nov-2018.pdf

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