

MEMORANDUM OF AGREEMENT WITH RESPECT TO PENSIONS ("PENSION MOA")

Between:

QUEEN'S UNIVERSITY FACULTY ASSOCIATION ("QUFA")

- and -

QUEEN'S UNIVERSITY ("University")

Whereas QUFA and the University (the "Parties") have engaged in collective bargaining and have reached a tentative agreement regarding a Renewed Collective Agreement recorded in a memorandum of agreement of today's date (the "RENEWAL AGREEMENT MOA") and on all pension issues, including those related to the proposed conversion and transfer of assets from The Revised Pension Plan of Queen's University ("QPP") to a new sector-wide jointly sponsored pension plan, the University Pension Plan ("UPP") which is recorded in this PENSION MOA;

And Whereas, following successful ratification by the Parties of both the RENEWAL AGREEMENT MOA and the PENSION MOA, the PENSION MOA shall be appended to and form part of the current Collective Agreement between the Parties and any renewal collective agreement that comes into effect before the UPP Accrual Date (defined below);

And Whereas the University has confirmed its intention to provide retirees with a prescription drug card on terms and conditions to be determined by the University, and subject to pre-conditions resulting in the successful conversion and transfer of assets from the QPP to the UPP and the successful completion of the active employee benefits RFP undertaken pursuant to LOA #6 Re: Employee Group Benefit Plan; and,

NOW, THEREFORE, the Parties agree as follows:

1. This PENSION MOA constitutes the entire agreement of the Parties with respect to pension matters, including the proposed conversion and transfer of assets from the QPP to the UPP.
2. QUFA agrees to consent on behalf of all employees in the bargaining unit participating in or eligible to participate in the QPP and covered by the current Collective Agreement to the conversion of the QPP to the UPP under section 80.4 of the *Pension Benefits Act*, including the transfer of the QPP's assets and liabilities to the UPP.

3. QUFA agrees to support the University's application, when made, for the Superintendent of Financial Services' approval of the conversion and asset transfer from the QPP to the UPP.
4. Provided the QUFA has acted in compliance with paragraphs 2 and 3, the University shall amend the QPP effective July 1, 2019 to change the "Normal Retirement Date" under the QPP for faculty to be the last day of the month in which the QPP member attains age 65.
5. Effective January 1, 2020, or, if later, the effective date of the UPP, QUFA-represented employees who are active members of QPP on that date shall become members of the UPP ("Contingent UPP Members"), provided that they shall not accrue any service under the UPP until the later of the date that the Superintendent of Financial Services (or his or her successor) approves a transfer of the assets from the QPP to the UPP and July 1, 2021 (or such other date as may be agreed by the parties) (the "UPP Accrual Date").
6. QUFA-represented employees who become members of the QPP on or after January 1, 2020 but before the UPP Accrual Date, will be enrolled in the UPP according to the UPP eligibility provisions and, upon enrolment, will become Contingent UPP Members.
7. Effective on the UPP Accrual Date, the Contingent UPP Members shall commence accruing pensionable service under and making contributions to the UPP in accordance with the terms of the UPP and shall no longer accrue pensionable service under, make contributions to, or have any entitlements or rights under the QPP and the QPP shall, as of the UPP Accrual Date, cease to exist as a separate pension plan. A Contingent UPP Member who commences accruing pensionable service under and making contributions to the UPP will be referred to in this PENSION MOA as a "Queen's UPP Contributing Member".
8. Employees who are not members of the QPP as of the UPP Accrual Date will join or be eligible to join the UPP, as applicable, in accordance with its terms.
9. The terms of the UPP will be consistent with those terms set out in the Milestones Agreement amended as of October 18, 2018, and as the same may be amended from time to time in writing, and such other terms as are otherwise provided under the definitive documentation establishing the UPP, including but not limited to the elimination of the ability to commence a pension under Section 5.02(2) of the QPP for members who had not attained their Normal Retirement Date by the UPP Accrual Date.

Voluntary Phased Retirement Program

10. Provided the conditions in paragraphs 2, 3 and 13 have been satisfied, the Parties agree to enter into a letter of agreement setting out the terms of a mutually agreed upon voluntary phased retirement program that contains the features of the University's December 10, 2018 amended phased retirement proposal (attached hereto as Schedule "A"), with notices of intent to apply for the program to be accepted starting on July 1, 2020 and which letter of agreement shall expire at the end of the term of the Renewal Collective Agreement and which shall form part of the Renewal Collective Agreement.

Conditional Terms of Employment Effective on UPP Accrual Date

11. Provided the conditions in paragraphs 2, 3 and 13 have been satisfied and the QPP has been successfully converted to the UPP:

a. Member/Employer Contributions under the UPP

Effective on the UPP Accrual Date, the UPP total contributions will be shared equally between the members and the employer (50/50), and subject to change thereafter as determined by the Sponsors of the UPP, including any funding policy developed by the Sponsors. It is anticipated that the contribution rate for the members and the employer on the UPP Accrual Date will each be 9.2% on pensionable earnings below the YMPE and 11.5% on pensionable earnings above the YMPE.

b. One Time Salary Increase for Queen's UPP Contributing Members

Effective on the UPP Accrual Date and upon the implementation of the contributions to the UPP described in paragraph a. above, applicable only to Queen's UPP Contributing Members, a 1.5% special one-time salary adjustment to base salary up to the UPP pensionable earnings cap (\$165,000 in 2018 dollars) will be implemented for Queen's UPP Contributing Members. For greater certainty, the one-time salary adjustment is not applicable to employees who are not contributing members of the UPP on the UPP Accrual Date.

c. Unreduced Early Retirement for Minimum Guarantee Benefit

Effective on the UPP Accrual Date for retirements occurring on and after the UPP Accrual Date, the University shall amend the QPP to provide for unreduced early retirement applicable to the Minimum Guarantee Benefit under the QPP earned prior to the UPP Accrual Date if a QPP member has both attained age 60 and has at least 80 age plus continuous service points.

d. Amendments to Renewal Collective Agreement

On or before the UPP Accrual Date, and effective on the UPP Accrual Date, the Renewal Collective Agreement and any further renewal collective agreement between the Parties in effect on the UPP Accrual Date, will be deemed for all

purposes to be amended in a manner and to the extent necessary to reflect all of the terms and conditions of this PENSION MOA, including, without limiting the generality of the foregoing:

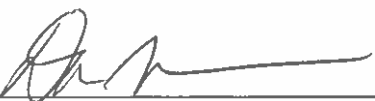
- i. Deletion of references to the QPP in the Renewal Collective Agreement as set out in Schedule "B";
 - ii. The incorporation of "no grievance and arbitration provisions" respecting pension matters – i.e. any and all issues related to the UPP shall not constitute a "difference" between the parties for the purposes of the Ontario *Labour Relations Act* or any collective agreement between the Parties in effect on and after the UPP Accrual Date and must be addressed under the provisions of the UPP and whatever mechanism the Sponsors may implement for issues or disputes related to the UPP and that it is the intention of the Parties that an arbitrator appointed under the collective agreement shall have no jurisdiction to hear any grievance referred to arbitration or grant any remedy in any way related to the UPP; and
 - iii. Acknowledgement that the terms and conditions of the UPP are not subject to collective bargaining, save and except for mutual agreement in writing to withdraw from the UPP pursuant to and in accordance with the terms and conditions of the UPP, including any notice provisions, for doing so.
- e. **Extension to Term of Renewal Collective Agreement**
Effective on the UPP Accrual Date, the Parties agree to enter into a letter of agreement to extend the duration clause in Article 43.1 such that the Renewal Collective Agreement will expire on June 30, 2022. Such letter of agreement shall form part of the Renewal Collective Agreement.

General Provisions

- 12. This PENSION MOA is expressly conditional on the contemporaneous execution, by the Parties, of the RENEWAL AGREEMENT MOA. If this condition is satisfied the PENSION MOA and RENEWAL AGREEMENT MOA are capable of being ratified by the Parties.
- 13. As soon as practicable following execution of the RENEWAL AGREEMENT MOA and the PENSION MOA, the Negotiating Committees of the Parties shall present both MOAs to their respective principals and will recommend unanimously the ratification of both memorandums of agreement.

14. Ratification by the University and the ratification vote by QUFA's membership of both the RENEWAL AGREEMENT MOA and the PENSION MOA shall occur as soon as practicable with the results of the QUFA membership ratification vote to be tabulated not later than February 14, 2019.
15. Upon its successful ratification, this PENSION MOA will be effective in accordance with its terms and otherwise will be null and void and will not be implemented.
16. This MOA shall be appended to and form part of the Collective Agreement and any renewal collective agreement in effect before the UPP Accrual Date and notwithstanding the grievance and arbitration provisions of any collective agreement, William Kaplan shall be seized as mediator-arbitrator of any issues related to the interpretation, application, administration or alleged violation of this PENSION MOA. If William Kaplan is unable or unwilling to serve as mediator-arbitrator than Eli Gedalof shall be seized as mediator-arbitrator.
17. Unless expressly provided for to the contrary, neither this PENSION MOA, nor any constituent part shall have any retroactive force or effect.
18. This PENSION MOA may be amended by the Parties, prior to ratification, by means of written instrument executed by the Chief Negotiator of both Parties.
19. In the event that there are any errors or omissions in this PENSION MOA, or in any of its constituent parts, the Parties shall make the amendments required to give effect to their negotiated intention. The Parties further agree to make any housekeeping modifications to this PENSION MOA that are required to give effect to their negotiated intention.

SIGNED THIS 11 DAY OF DECEMBER, 2018



QUEEN'S UNIVERSITY

per Dan McKeown

Chief Negotiator



QUFA

per Elizabeth Hanson

Co- Chief Negotiator

A handwritten signature in black ink, appearing to read "R. Hickey", is written over a horizontal line. The signature is stylized and cursive.

QUFA

Per Robert Hickey

Co-Chief Negotiator

Schedule "A"

Voluntary Phased Retirement Program Key Terms

Similar to the U of T Retirement Incentive Plan with the following features:

- Only possible from age 62 on
- First year of implementation is July 1, 2020-for one year notice of intent to apply for phased in retirement.
- With the following features from the U of T Retirement Incentive Plan:
 - 75% of salary over 3 years
 - Unreduced pension credits for those 3 years
 - Possible lower limit to level of reduced responsibility
- Limits to numbers of members who can activate prior to age 65 in a single unit could be negotiated but no limits on members 65 and older and no member will wait more than one year to activate and no limits on members 65 and older will apply
- Members who have activated their pension are eligible for phased reduction of responsibilities but with no monetary incentive attached
- Irrevocable
- QUFA Members with a full range of academic responsibilities must continue to contribute in each of research, teaching and service during periods of reduced responsibility

Schedule "B"

Current Collective Agreement Provision	Proposed Treatment
<p>6.3 The University shall provide the Association with the following information:</p> <p>(a) Approved minutes of the Pension Committee, the audited and other reports concerning the pension and benefit plans, and two (2) copies of the current plan and any amendments to the plan;</p>	Delete paragraph(a).
<p>7.6.3 The Association will have the right to select two (2) members of the Queen's Pension Committee.</p>	Delete.
<p>26.10 If the Member and the Dean or University Librarian agree on the provisions of the proposed Reduced Responsibility appointment, those provisions, including the period of reduced responsibility, the percentage reduction of normal duties, and benefit and pension coverage (per Article 26.16), shall be confirmed in writing and signed by the Member and the Dean or University Librarian.</p>	Retain as is.
<p>26.12 If a Reduced Responsibility Appointment is granted, the Provost and Vice-President (Academic) or delegate shall provide a letter to the Member confirming the Reduced Responsibility Appointment and stating the period for which the reduced responsibility arrangements are to apply, the duties of the Member during that period, the percentage reduction of normal duties, benefit and pension coverage (per Article 26.16), and the method of weighting the evaluations of the Member's</p>	Retain as is.

Current Collective Agreement Provision	Proposed Treatment
performance based on reduced responsibility arrangements.	
<p>26.16 A Member with a Reduced Responsibility appointment has the option of maintaining full benefit and pension coverage at the level of either the nominal salary or the actual salary (where permissible under the terms of the particular benefit or Pension Plan and applicable federal or provincial legislation), with the normal cost-sharing arrangement. Members considering making an application for a Reduced Responsibility appointment should contact the Department of Human Resources to ascertain benefit and pension arrangements, implications under the <i>Income Tax Act</i>, 1985, c. 1(5th Supp.) as amended from time to time and any applicable federal or provincial legislation.</p>	Add "University" before "Pension Plan".
<p>33.2.3.4 During the period of a Compassionate, Bereavement, or Sick Leave, with or without pay, the University shall continue to pay its portion of the premiums for the group benefits plans (in which the Member is enrolled) and the Pension Plan (if applicable), where the Member continues to pay their share.</p>	Delete "and the Pension Plan (if applicable)". Contributions to the UPP during leaves to be addressed in UPP text.
<p>33.3.7.1 During the period of Maternity Leave With Top-Up or Parental Leave With Top-Up both the Member and the University shall continue to pay their respective shares of the premiums for the group benefit plans (in which the Member is enrolled) and the Pension Plan.</p>	Delete "and the Pension Plan". Contributions to the UPP during leaves to be addressed in UPP text.

Current Collective Agreement Provision	Proposed Treatment
<p>33.3.7.2 During the period of Maternity Leave Without Top-Up or Parental Leave Without Top-Up, the University shall continue to pay its portion of the premiums for the group benefit plans (in which the Member is enrolled) and the Pension Plan (if applicable), where the Member continues to pay their share.</p>	<p>Delete "and the Pension Plan (if applicable)". Contributions to the UPP during leaves to be addressed in UPP text.</p>
<p>33.6.2 A Member shall make an application in writing to the Unit Head, stating the reasons for the request, the period and location of the leave, and their proposals for pension and benefits arrangements. With the recommendation of the Unit Head and the Dean, the Provost and Vice-Principal (Academic) or delegate shall make a decision on the application and inform the applicant in writing.</p>	<p>Retain as is so that whatever terms for pension are documented. All such proposals must be in accordance with the UPP plan text.</p>
<p>33.7 Pension Plan Contributions</p>	<p>Delete entire Article 33.7</p>
<p>33.7.1 A Member who is a member of the Revised Pension Plan and who is on any form of paid or partially paid leave pursuant to this Article shall have the option of making their required Money Purchase Contributions based upon the Member's Regular Salary with or without reduction for leave.</p>	<p>Delete. Contributions to UPP during paid or partially paid leaves to be addressed in UPP text.</p>
<p>33.7.2 A Member who is a member of the Revised Pension Plan and who is on any form of unpaid leave pursuant to this Article shall have the option of not contributing to the Revised Pension Plan for the duration of the unpaid leave or making their required Money Purchase Contributions based upon the Member's Regular Salary.</p>	<p>Delete. Contributions to UPP during unpaid leaves to be addressed in UPP text.</p>

Current Collective Agreement Provision	Proposed Treatment
<p>33.7.3 Where the Member has elected to continue making their required contributions to the Revised Pension Plan pursuant to Article 33.7.1 or Article 33.7.2, the University shall continue to make its corresponding contributions according to the terms of the governing Revised Pension Plan document.</p>	<p>Delete. Queen's contributions to the UPP during leaves to be addressed in UPP text.</p>
<p>42.6.2 Except as otherwise indicated in this Article, the existing plans set out below shall be continued during the term of this Agreement and shall not be amended or changed without the agreement of the Association:</p> <p>(a) Revised Pension Plan;</p>	<p>Delete paragraph (a) and all references to paragraph 42.6.2(a) throughout the Collective Agreement.</p> <p>Amendment to QPP legacy provisions to incorporate Term Adjunct eligibility condition in lieu of reference to 42.6.2(a) in Article 46.6.1</p>
<p>42.6.4 The Parties agree to establish a Joint Benefits Committee to advise the Parties on the operations of all benefits plans (except the Pension Plan). The Parties shall each appoint three (3) individuals to the Joint Benefits Committee. The Committee shall meet periodically at the request of either Party and at least once a year. The Mandate of the Committee shall be: ...</p>	<p>Retain as is except change "(except the Pension Plan)" to "(excluding the University Pension Plan)".</p>

