



Dear USW Local 2010 Member:

June 2017

RE: A New Path to University Pension Sustainability for Workers

For several years, the United Steelworkers (USW) have been engaged in discussions with several universities in Ontario regarding the creation of a university-specific, multi-employer, defined benefit **Jointly Sponsored Pension Plan (JSPP)**. This type of plan would be similar to plans that you may be familiar with, such as the Teacher's Pension Plan, OMERS, HOOP and CAAT; all of which are Ontario JSPP's.

The concept of a JSPP is relatively simple – take some or all of the university pension plans in the province, and combine them all into one new, universal pension plan. This new plan would be *jointly governed* and all Employees and Employers would contribute the same amount at each workplace, with the same benefit formula applied across all workers. The benefits that you have already earned/accrued as a current worker, as well as all existing retirees, would be guaranteed as of an *agreed-upon transition date* (yet to be determined). Combining such a large pool of assets helps to reduce costs and provide better investment opportunities that individual plans cannot normally access.

The goal of a JSPP is also relatively simple – move toward ensuring long-term sustainability, thereby providing secure and decent pensions for our Members. Within this framework, we also need to ensure that if we are going to *pay* for half of our pension plan, then the Unions also want half of the *shared governance and decision making* in the plan.

The path to the creation of the JSPP is a significant undertaking. Assembling a number of Employers, Unions, and Faculty Associations into one room, with the sole purpose of achieving overall agreement, can be challenging.

To move forward on the JSPP, six Universities initially met to begin creating the **University Pension Project (UPP6)**. In January 2017, the large group of participants changed to the **UPP3** consisting of Queen's University, Guelph University and the University of Toronto; all Universities at which the Steelworkers play a dominate role on pensions. Under the direction of Alex McKinnon, Department Leader at our Canadian National Office (CNO), and with the support of our District Director, Marty Warren, we were the first Union to take positive steps to creating this JSPP now being negotiated under the umbrella of the **UPP3**. For the last two years, Alex McKinnon has served as one of the UPP Co-chairs.

Recently, the Parties (Unions, Employers, Actuaries, etc.) came together over the Mother's Day weekend and worked for two days to close-the-gap on the few remaining outstanding issues. The Parties have established *many* of the fundamental features of the new Plan. Very shortly, we expect to have an agreement on the few remaining issues.

To be clear, this is a challenging set of negotiations. Like all negotiations, there is always some give and take, but our goals and responsibilities remain unchanged – to work toward the best long-term retirement security solution for our Members.

Enclosed are the first of our backgrounders that we have produced to provide information on the process. We are working on further documents which we hope to send to you soon. You can also watch our Local 2010 web site for updates at: <http://usw2010.ca>.

In solidarity:

Kelly J. Orser, President
USW Locals 2010 and 2010-01