

CONTRACT HIGHLIGHTS LOCAL 2010

Article 30 Compensation

Article 33 Pension

Monetary Matters

ARTICLE 30 COMPENSATION

Wages

30.09 Effective July 1, 2015:

- (a) As soon as practicable, but no later than ninety (90) days following ratification of the renewal agreement all employees actively employed for a minimum of twelve (12) months on the date of ratification, will receive a **one-time lump sum payment of \$750**, less, applicable deductions.
- (b) Employees employed on the date of ratification with less than twelve months (12) service will receive a prorated amount.
- (c) This lump sum payment will not be applied to base earnings.
- (d) No adjustment to the USW, Local 2010 salary grid.

30.10 Effective July 1, 2016:

- (a) A **scale increase of 1%** will be applied to the maxima and minima salaries and to each salary referenced at each step on the current salary grid.
- (b) Each employee, except those who salary at June 30, 2016 was at or above the maximum for her/his grade, will be **moved up to the next step within her/his grade**.

30.11 Effective July 1, 2017:

- (a) A **scale increase of 1.25%** will be applied to the maxima and minima salaries and to each salary referenced at each step on the current salary grid.
- (b) Each employee, except those who salary at June 30, 2017 was at or above the maximum for her/his grade, will be **moved up to the next step within her/his grade**.

30.12 Effective July 1, 2018:

- (a) **A scale increase of 1.25%** will be applied to the maxima and minima salaries and to each salary referenced at each step on the current salary grid.

- (b) Each employee, except those who salary at June 30, 2018 was at or above the maximum for her/his grade, will be **moved up to the next step within her/his grade.**

ARTICLE 31 BENEFITS (Pension)

**Memorandum of Agreement (“MOA”)
between
Queen’s University (the “Employer”)
and
United Steelworkers Local 2010 (the “Union”)
re: Pension Negotiations
August 13, 2015**

WHEREAS the Employer and the Union (collectively, “the Parties”) acknowledge that should the Queen’s Pension Plan (known as the Revised Pension Plan of Queen’s University, or QPP) not change its structure to that of a formally recognized jointly sponsored pension plan (JSPP), the Ontario government will require Queen’s University to make special solvency payments into the QPP;

AND WHEREAS the Parties further acknowledge that they therefore have a shared interest in achieving permanent exemption from having to fund pension obligations on a solvency valuation basis by changing the plan structure to that of a formally recognized jointly sponsored pension plan (JSPP) model;

AND WHEREAS the Parties welcome an opportunity to enter into constructive discussions regarding long-term pension benefit sustainability;

AND WHEREAS the Parties recognize that recent changes to the Pension Benefits Act have created a framework for Ontario university sector Plan sponsors to consider changing their plan structure to that of a formally recognized jointly sponsored pension plan (JSPP) model.

AND WHEREAS the parties are actively participating in the University Pension Project (“UPP”) discussions being coordinated by the Council of Ontario Universities and the Ontario Confederation of the University Faculty Associations and directed at creating a sector-specific JSPP which will be acceptable to the Parties and to both the provincial government and pension regulators

AND WHEREAS the Parties note that the “Shared Principles” endorsed by the COU and OCUFA are as follows:

- i) Participation in a sector-wide or multi-employer JSPP, as defined by the Pension Benefits Act, will be voluntary and open to all pension plan types and all employee groups.
- ii) A university-sector or multi-employer JSPP will be non-statutory (which means that it will be negotiated by the parties that will be joining the plan).
- iii) A university-sector or multi-employer JSPP will receive an exemption from solvency valuations and funding.
- iv) A university-sector or multi-employer JSPP will include a guaranteed formula pension.
- v) A university-sector or multi-employer JSPP will be fully funded on a going concern basis at inception.
- vi) Under this new equal partnership arrangement, each of the parties involved (plan members and their representatives, plan sponsors and administrators, and government) need to understand the potential benefits and negative implications of any proposal to create a university-sector or multi-employer JSPP, so that an informed decision as to whether or not to proceed can be made.

NOW THEREFORE the Parties do hereby agree as follows:

1. The Parties acknowledge that the recitals set forth above are true and correct and further, the Parties understand and agree that such recitals are hereby incorporated into and form part of this Memorandum of Agreement;
2. This Memorandum of Agreement shall form part of and be incorporated into the Memorandum of Agreement "On All Issues Regarding Negotiations of a new Collective Agreement" reached between the Parties regarding the renewal of the Collective Agreement between the Parties;
3. The Parties reconfirm their commitment to supporting the current phase of the UPP through to its concluding report to the Ministry of Training, Colleges and Universities and agree to participate in the UPP's "design finalization process" commencing in the early fall of 2015, concluding by November 30, 2015 (or such later date as may be agreed). The Parties further understand that the "design finalization process" shall be conducted with the assistance of a facilitator, appointed with the consent of those involved, and agree that once the "design finalization process" has successfully concluded by producing a plan that is satisfactory to them, each will participate in the "Build" phase of the UPP.
4. If at any time during the term of the renewed Collective Agreement the UPP concludes without producing a new University Sector Pension Plan, or if the new University Sector Pension Plan fails to receive the necessary consent and approvals of its prospective sponsors and members, including those of the Parties themselves, then the Parties agree in the alternative to exploring a merger of the QPP into an existing and mutually acceptable JSPP.
5. The Parties agree to establish jointly with the CUPE, QUFA, ONA, OPSEU, and PSAC and actively participate in a Joint Working Committee (JWC) for the purpose of evaluating alternative

pension options, including a merger with a mutually acceptable Jointly Sponsored Pension Plan ("JSPP") such as the University Pension Project. The mandate of the JWC shall provide that:

- a) The JWC shall be composed of an equal number of representatives of the University and representatives of employee groups proportional to plan membership;
 - b) The JWC shall be constituted and operational within 3 months of the ratification of this MOA by all the parties, and shall establish graduated terms of reference that will initially focus on the progress of and communication with respect to the University Pension Project; as necessary, the terms of reference shall include consideration of required documentation and data; analysis to be undertaken; costs, if any, to be covered by the University; and administrative support;
 - c) The JWC shall provide an interim report on the progress and status of the University Pension Project no later than January 31, 2016 and continue to report every three months thereafter until the mandate of the JWC is concluded;
 - d) The JWC report must be agreed to by both the Employer and Employee representatives separately;
 - e) Until the JWC reports, no modifications shall be made to the QPP other than Plan amendments that are required to comply with applicable legislation, irrespective of any legislative or regulatory provisions that may authorize modification outside the process of collective bargaining as prescribed in the Labour Relations Act;
 - f) All analyses and other types of professional services that the JWC agrees to be required shall be deemed a legitimate expense of the plan and settled out of QPP fund resources;
 - g) Any recommendations that arise from the JWC will be made by December 31, 2017 unless otherwise mutually agreed by the Parties; subject to ratifications/approvals by all parties; and subject to compliance with legal requirements, including the Pension Benefits Act and the Income Tax Act.
6. Recommendations by the JWC to their respective principals to merge the QPP with a mutually acceptable JSPP, may be implemented only through collective bargaining or a mutually agreed alternative process.
- a) If a recommendation to merge the QPP with a JSPP is issued by the JWC more than six (6) months prior to the expiry of the 2015-18 Queen's-USW Collective Agreement, then the Parties may negotiate the terms of such a merger and amend the existing Collective Agreement as appropriate, recognizing that such a merger and its terms would be subject to ratification by the Board of Trustees and the applicable bargaining units. In this case, if no agreement can be reached on the terms of the merger, no amendments to the Collective Agreement shall be made.
 - b) If such an agreement in principle to recommend merger is reached within 6 (six) months of the expiry of the 2015-18 Queen's-USW Collective Agreement, then the Parties shall

negotiate the terms of such a merger as part of the negotiations for a renewed Collective Agreement, recognizing that such a merger would be subject to ratification by both the Board of Trustees and the applicable bargaining units.

- c) The University will not initiate the formal consent procedure for the merger until bargaining has concluded, whether for the renewal of the Collective Agreement or for a separate merger agreement

THE PARTIES FURTHER AGREE that the goal of the process outlined in this Memorandum of Understanding is a common understanding of issues and choices going forward, in order to achieve a sustainable, efficiently and effectively managed Pension Plan that continues to provide members the ability to retire with dignity and have a secure foundation for their retirement income which is a vital component for members of our community as they enter into retirement.

THE PARTIES FURTHER AGREE that they look forward to working together to establish a constructive and inclusive forum to address the complex and vitally important issues that are related to ensuring the long term sustainability of the Plan.

THE PARTIES FURTHER AGREE that should they fail to reach an agreement to merge the QPP with the mutually acceptable JSPP by the expiry of the renewal Agreement then the Parties agree to discuss and negotiate certain changes as may be needed to support the sustainability of the QPP.

Dated this 13 day of August, 2015

For the University

For the Union

Al Orth
Associate Vice-Principal (Human Resources)

Peggy McComb
United Steelworkers Local 2010