

## MEMORANDUM OF AGREEMENT WITH RESPECT TO PENSIONS (“PENSION MOA”)

Between:

UNITED STEELWORKERS (“USW Local 2010”)

- and -

QUEEN’S UNIVERSITY (“University”)

Whereas the USW Local 2010 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 the proposed Letter of Understanding: Employee Group Benefit Plan contained in the RENEWAL AGREEMENT MOA; 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. USW Local 2010 agrees to consent on behalf of all bargaining unit members covered by the current Collective Agreement and any renewal 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. USW Local 2010 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. Effective January 1, 2020, or, if later, the effective date of the UPP, USW Local 2010 bargaining unit members 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 their 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").
5. The USW Local 2010 bargaining unit members 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.
6. 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.
7. Bargaining unit members 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.
8. 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.

**Conditional Terms of Employment Effective on UPP Accrual Date**

9. Provided the conditions in paragraphs 2, 3 and 11 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. Salary Grid Modification/Monetary Offset**

Effective on the UPP Accrual Date, the Salary Grid for USW Local 2010 bargaining unit members will be modified as set out in Schedule "A". Effective July 1, 2021 or the UPP Accrual Date, whichever is later, bargaining unit members at the maximum of their Grade on the Interim Grid (as set out in Schedule "A") will receive a one-time lump sum payment equivalent to 1.8% of their base salary.

Notwithstanding the above paragraph, in the event the UPP Accrual Date occurs after December 31, 2021, then effective on the UPP Accrual Date, the Salary Grid in effect on January 1, 2022 will be modified as set out in Schedule "B". In addition, effective on the UPP Accrual Date, bargaining unit members who were at the maximum of their Grade on June 30, 2021 will receive a one-time lump sum payment equivalent to 1.8% of their base salary as at 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 QPP legacy provisions under the UPP shall be amended 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 on their retirement under the UPP.

**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 "C";
- 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.

### **General Provisions**

10. 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.
11. 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.
12. Ratification by the University and the ratification vote by USW Local 2010's membership of both the RENEWAL AGREEMENT MOA and the PENSION MOA shall occur as soon as practicable with the results of a USW Local 2010 membership ratification vote to be tabulated not later than February 14, 2019.

13. Upon the successful ratification of the RENEWAL AGREEMENT MOA and this PENSION MOA, this PENSION MOA will be effective in accordance with its terms and otherwise will be null and void and will not be implemented.
14. This MOA shall be appended to and form part of the Renewal Collective Agreement and any further 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.
15. Unless expressly provided for to the contrary, neither this PENSION MOA, nor any constituent part shall have any retroactive force or effect.
16. 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.
17. 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 \_\_\_\_\_ DAY OF DECEMBER, 2018

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QUEEN'S UNIVERSITY  
per Heather Shields  
Chief Negotiator

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USW LOCAL 2010  
per John Goldthorp  
Chief Negotiator

Schedule "A" – UPP Accrual is on or before December 31, 2021

UPP Grid

**EFFECTIVE UPP ACCRUAL DATE - UPP SALARY GRID**

Start at current step 2, step 4 for grade 9; reduce number of steps in grades 2-9 keeping same maximum

GRADE	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	STEP 6	STEP 7	STEP 8	STEP 9	STEP 10	STEP 11	STEP 12	STEP 13
002	35,284	36,230	37,197	38,194									
003	39,310	40,359	41,438	42,547									
004	41,394	42,535	43,703	44,899	46,133	47,395							
005	43,292	44,536	45,816	47,133	48,488	49,882	51,316	52,790					
006	49,090	50,502	51,954	53,448	54,985	56,566	58,192	59,865					
007	55,670	57,270	58,916	60,609	62,351	64,143	65,986	67,881					
008	63,131	64,945	66,811	68,731	70,706	72,738	74,828	76,980					
009	70,352	72,275	74,251	76,281	78,367	80,510	82,711	84,972	87,295				

Subject to all of the conditions set out in paragraph 9 of the PENSION MOA, the above UPP Grid will apply effective on the UPP Accrual Date.

The mapping of bargaining unit members from the salary grid in effect under the Renewal Collective Agreement to the above UPP Grid will be determined as follows. The July 1, 2020 Salary Grid will first be modified by adding a 1.5% off-set adjustment to all steps in the Salary Grid. The adjusted Salary Grid will be referred to as the "Interim Grid".

Interim Grid

**EFFECTIVE UPP ACCRUAL DATE - INTERIM GRID**

1.5% Pension Offset

GRADE	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	STEP 6	STEP 7	STEP 8	STEP 9	STEP 10	STEP 11	STEP 12	STEP 13
002	34,367	35,284	36,230	37,197	38,194								
003	38,289	39,310	40,359	41,438	42,547								
004	40,289	41,394	42,535	43,703	44,899	46,133	47,395						
005	42,232	43,292	44,379	45,492	46,633	47,803	49,002	50,232	51,494	52,790			
006	47,892	49,090	50,325	51,588	52,885	54,210	55,571	56,968	58,396	59,865			
007	54,305	55,670	57,068	58,503	59,969	61,472	63,018	64,596	66,227	67,881			
008	61,584	63,131	64,716	66,336	68,002	69,709	71,460	73,254	75,090	76,980			
009	65,473	67,061	68,686	70,352	72,059	73,808	75,599	77,431	79,310	81,238	83,208	85,225	87,295

**Mapping Process**

1. The steps in the Interim Grid will be mapped to the steps in the UPP Grid as follows:

- The dollar amount of each step within each Grade in the Interim Grid will be mapped onto the same Grade in the UPP Grid.
- Where the dollar amount of the step in the Interim Grid is mapped between two steps in the UPP Grid, the mapping will be made to the higher step.

- The maximum step in each Grade of the Interim Grid will map to the new maximum steps in each Grade of the UPP Grid.

2. Once the UPP Grid is created, and all the old steps are mapped from the Interim grid to the UPP Grid, each employee, except an employee whose salary at June 30, 2021, was at or above the maximum for the Grade, will be moved up to the next step within their Grade.

Schedule "B" – UPP Accrual Date after December 31, 2021

UPP Grid

**EFFECTIVE UPP ACCRUAL DATE - UPP SALARY GRID**

Start at current step 2, step 4 for grade 9; reduce number of steps in grades 2-9 keeping same maximum

GRADE	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	STEP 6	STEP 7	STEP 8	STEP 9	STEP 10	STEP 11	STEP 12	STEP 13
002	35,284	36,230	37,197	38,194									
003	39,310	40,359	41,438	42,547									
004	41,394	42,535	43,703	44,899	46,133	47,395							
005	43,292	44,536	45,816	47,133	48,488	49,882	51,316	52,790					
006	49,090	50,502	51,954	53,448	54,985	56,566	58,192	59,865					
007	55,670	57,270	58,916	60,609	62,351	64,143	65,986	67,881					
008	63,131	64,945	66,811	68,731	70,706	72,738	74,828	76,980					
009	70,352	72,275	74,251	76,281	78,367	80,510	82,711	84,972	87,295				

Subject to all of the conditions set out in paragraph 9 of the PENSION MOA, the above UPP Grid will apply effective on the UPP Accrual Date.

**Salary Grid\***

**EFFECTIVE January 1, 2022**

GRADE	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	STEP 6	STEP 7	STEP 8	STEP 9	STEP 10	STEP 11	STEP 12	STEP 13
002	34,367	35,284	36,230	37,197	38,194								
003	38,289	39,310	40,359	41,438	42,547								
004	40,289	41,394	42,535	43,703	44,899	46,133	47,395						
005	42,232	43,292	44,379	45,492	46,633	47,803	49,002	50,232	51,494	52,790			
006	47,892	49,090	50,325	51,588	52,885	54,210	55,571	56,968	58,396	59,865			
007	54,305	55,670	57,068	58,503	59,969	61,472	63,018	64,596	66,227	67,881			
008	61,584	63,131	64,716	66,336	68,002	69,709	71,460	73,254	75,090	76,980			
009	65,473	67,061	68,686	70,352	72,059	73,808	75,599	77,431	79,310	81,238	83,208	85,225	87,295

\* Salary Grid in effect pursuant to paragraph 8. C. (c) of the Renewal Agreement MOA

**Mapping Process**

- The steps in the Salary Grid will be mapped to the steps in the UPP Grid as follows:
  - The dollar amount of each step within each Grade in the Salary Grid will be mapped onto the same Grade in the UPP Grid.
  - Where the dollar amount of the step in the Salary Grid is mapped between two steps in the UPP Grid, the mapping will be made to the higher step.
  - The maximum step in each Grade of the Salary Grid will map to the new maximum steps in each Grade of the UPP Grid.



Schedule "C"

Current Collective Agreement Provision	Proposed Treatment
<p>18.25(a)(i) During a temporary layoff that involves a reduction of hours but during which the employee continues to work at least 40% of her/his FTE hours, the following benefits will continue provided she/he was enrolled in such benefit(s) on the date of the notice of layoff:</p> <p>Revised Pension Plan of Queen's University            Supplemental Medical            Dental            Semi Private Hospital            Basic Group Life Insurance            Optional Group Life Insurance            Employee Assistance Plan            Long Term Disability</p>	<p>Delete reference to Revised Pension Plan of Queen's University. Contributions to the UPP during temporary layoffs to be addressed in UPP text.</p>
<p>18.25(a)(ii) The benefit coverage and employee share of premium costs that are based on earnings shall continue to be deducted at source and shall be determined based on the employee's actual earnings during his/her reduced-hours layoff. Notwithstanding the above, the employee may elect in writing to maintain Pension Plan contributions based on the employee's earnings on the date immediately prior to the effective date of the layoff.</p>	<p>Delete second sentence. Contributions to the UPP during layoffs to be addressed in UPP text.</p>
<p>18.25(b)(i) During a temporary layoff during which the employee works less than 40% of her/his FTE hours, she/he may continue coverage for the following benefit(s) provided she/he was enrolled in such benefit(s) on the date of the notice of layoff:</p> <p>Revised Pension Plan of Queen's University            Supplemental Medical (except Out of Country)            Dental            Semi Private Hospital            Basic Group Life Insurance</p>	<p>Delete reference to Revised Pension Plan of Queen's University. Contributions to the UPP during temporary layoffs to be addressed in UPP text.</p>

Current Collective Agreement Provision	Proposed Treatment
Optional Group Life Insurance Employee Assistance Plan	
18.25(b)(ii) The benefit coverage and employee share of premium or contribution costs shall continue to be deducted at source and shall be determined based on the employee's actual earnings during his/her reduced-hours layoff. Notwithstanding the above, the employee may elect in writing to maintain Pension Plan contributions based on the employee's earnings on the date immediately prior to the effective date of the layoff.	Delete second sentence. Contributions to the UPP during temporary layoffs to be addressed in UPP text.
18.25(c)(i) During a temporary layoff during which the employee works no hours, she/he may continue coverage for the following benefits provided she/he was enrolled in such benefit(s) on the date of the notice of layoff and provided the employee authorizes monthly direct banking debit for the employee share of the premium or contribution costs:  Revised Pension Plan of Queen's University Supplemental Medical (except Out of Country) Dental Semi Private Hospital Basic Group Life Insurance Optional Group Life Insurance Employee Assistance Plan	Delete reference to Revised Pension Plan of Queen's University. Contributions to the UPP during temporary layoffs to be addressed in UPP text.
23.13(f) The employee's participation in the <i>Revised Pension Plan of Queen's University</i> will continue with both employee and Employer contributions as well as accrual of pensionable service during the period of Supported Maternity Leave.	Delete. Contributions to the UPP during leaves to be addressed in UPP text.
23.16(g) The employee's participation in the <i>Revised Pension Plan of Queen's University</i> will continue with both employee and Employer contributions as well as accrual of	Delete. Contributions to the UPP during leaves to be addressed in UPP text.

Current Collective Agreement Provision	Proposed Treatment																		
pensionable service during the period of Supported Parental Leave.																			
<p>31.02(a) The University’s contribution to the Minimum Guarantee Fund shall be as determined by a valuation prepared by the Pension Plan’s actuaries. Such contribution shall be in accordance with the requirements of the Ontario <i>Pension Benefits Act</i>, RSO 1990, c P.8, as amended from time to time (hereinafter, the “<i>Pension Benefits Act</i>”) and also shall not exceed the maximum amount that is permitted under the <i>Income Tax Act</i>, RSO 1990, c P.8, as amended from time to time (hereinafter, the “<i>Income Tax Act</i>”).</p>	Delete.																		
<p>31.02(b) The Pension Plan will be amended to reflect the changes outlined in the Memorandum of Agreement signed March 22, 2012 and to reflect required employee money purchase contribution rates as follows:</p> <table border="1" data-bbox="204 1077 797 1619"> <thead> <tr> <th data-bbox="204 1077 347 1182">Effective Date</th> <th data-bbox="347 1077 436 1182">Jan. 1, 2012</th> <th data-bbox="436 1077 526 1182">July 1, 2012</th> <th data-bbox="526 1077 615 1182">Jan. 1, 2013</th> <th data-bbox="615 1077 704 1182">July 1, 2013</th> <th data-bbox="704 1077 797 1182">Jan. 1, 2014</th> </tr> </thead> <tbody> <tr> <td data-bbox="204 1182 347 1398">Up to the Canada Pension Plan Yearly Minimum Pensionable Earnings</td> <td data-bbox="347 1182 436 1398">5.0%</td> <td data-bbox="436 1182 526 1398">5.5%</td> <td data-bbox="526 1182 615 1398">6.0%</td> <td data-bbox="615 1182 704 1398">6.5%</td> <td data-bbox="704 1182 797 1398">7.0%</td> </tr> <tr> <td data-bbox="204 1398 347 1619">Above the Canada Pension Plan Yearly Minimum Pensionable Earnings</td> <td data-bbox="347 1398 436 1619">6.6%</td> <td data-bbox="436 1398 526 1619">7.2%</td> <td data-bbox="526 1398 615 1619">7.8%</td> <td data-bbox="615 1398 704 1619">8.4%</td> <td data-bbox="704 1398 797 1619">9%</td> </tr> </tbody> </table>	Effective Date	Jan. 1, 2012	July 1, 2012	Jan. 1, 2013	July 1, 2013	Jan. 1, 2014	Up to the Canada Pension Plan Yearly Minimum Pensionable Earnings	5.0%	5.5%	6.0%	6.5%	7.0%	Above the Canada Pension Plan Yearly Minimum Pensionable Earnings	6.6%	7.2%	7.8%	8.4%	9%	Delete.
Effective Date	Jan. 1, 2012	July 1, 2012	Jan. 1, 2013	July 1, 2013	Jan. 1, 2014														
Up to the Canada Pension Plan Yearly Minimum Pensionable Earnings	5.0%	5.5%	6.0%	6.5%	7.0%														
Above the Canada Pension Plan Yearly Minimum Pensionable Earnings	6.6%	7.2%	7.8%	8.4%	9%														