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Report of the President, 2016–2017

April 10, 2017

Pensions

UTFA's 2017 Annual General Meeting will focus on pension reform. A panel of pension experts will speak on jointly sponsored pension plans, on the financial difficulties and sustainability of our current plan, and on examples of Ontario JSPPs that have been thriving for many years. As most of our members know, the University of Toronto defined benefit (DB) pension plan struggles with deficits and is in need of reform. More than one UTFA president has had to confront rising pension premiums and the threat of reduced future benefits. See the information at https://pensionchange.utfa.org/ and also the handouts on pensions that UTFA has circulated for the figures on the University's volatile levels of pension-related debt. We are grateful to the actuaries and communication specialists at Toronto's Eckler Ltd., to Hugh Mackenzie & Associates, an economic and labour consultancy, and to pension specialists at Goldblatt Partners for their assistance in generating information on pensions for our members.

UTFA has been working on the possibility of pension reform for at least two years. In the slightly more distant past, former UTFA president George Luste led a long campaign to educate members about the problems with the pension plan. At one point, he was convinced that new hires should be offered only a defined contribution or DC plan. We are all relieved, given the more recent performance of DC plans, that UTFA did not move in that particular direction. Currently, we have members sitting on both the University Pension Committee and the Joint Working Committee (JWC). The goal of the JWC, from its inception, was to work with other employee groups such as U of T's CUPE unions and the Steelworkers to explore conversion to a jointly sponsored pension plan.

With the next provincial election visible on the horizon, pressure has grown to act on pension reform. The Conservatives have indicated in the past a strong preference for DC plans.

I have been persuaded in recent months that for governance reasons alone the JSPP, with shared responsibility for planning and governance, on a sponsor board, is preferable to the governance currently in place, in which the University administration is largely in control. As our premiums rise, we as

employees are moving closer to the 50% contribution to the plan that should, in my view, be accompanied by joint governance. Does this joint governance bring with it shared risk? Yes, in a word. A shortfall in pension funding under a JSPP would clearly mean that increases in premiums and/or cuts in future benefits would have to occur. Both the employee side of the sponsor board and the employer side would have to agree on any such cuts. However there is also a risk that under our current pension plan, the employer will seek to cut future benefits and increase premiums. Our panelists will address all of these issues concerning the pros and cons of a JSPP on April 6 at the AGM.

The U of T administration is clearly seeking relief from solvency payments, and this is its main motivation for wanting to convert to a JSPP. The Administration would lose sole control over the management of the pension plan, but it nevertheless believes that moving forward with a JSPP is safer than standing still.

UTFA is engaged in an education campaign on pensions. We have had several small-group meetings of the Executive and Council, and we are now starting to hold meetings of faculty and librarians in their units. See the report of the chair of the Membership Committee on the education campaign. In addition to smaller meetings in units, we will hold town halls at all three of the University's campuses.

If a new pension plan were negotiated, all plan members would have to vote on it. Ratification of any new plan would not occur until the fall of 2017 or later.

Many of our members are growing concerned that their salaries are not properly covered by their pension because of the federal government's imposed cap on pensionable earnings. In exchange for contemplating a JSPP, UTFA will insist on a supplemental retirement arrangement (SRA) and also on financial offsets for faculty and librarians.

Inequity in salaries and gender

In the coming months, UTFA will file an Association grievance on the gap in salary between men and women at U of T. We are working with various experts on salary and statistics, and we are examining related cases and precedents.

Policy negotiations

In the fall term of 2016, UTFA successfully negotiated with the University administration a new policy on promotion to full professor in the teaching stream. Divisions are now working on the guidelines that must be in place before promotions to full professor in the teaching stream may occur. Members might recall that, through the Special Joint Advisory Committee (SJAC) process that commenced around 2012, UTFA and the University administration completed negotiations on improvements to teaching stream and tenure stream policies. While the teaching stream appointments policy was substantially improved, the same was not true for our librarians or for part-time faculty. Please see the report of the Chair of the Librarians Committee for information on the need to revise the librarians' appointments policy. As president, I am strongly committed to modernizing the librarians' policy. I am also committed to revising the policy that governs part-time appointments. In the upcoming round of salaries/benefits talks, UTFA will propose negotiating serious revisions of both policies.

Grievances

Managing asbestos has become an important issue at U of T—and not simply at the St. George Campus. UTFA has heard from concerned members from across the three campuses. UTFA has called for a University task force on this vitally important issue. The UTFA Grievance portfolio, working with lawyers at Goldblatt Partners, and led by Terezia Zoric, has been working flat out since the beginning of March, when UTFA was first alerted to the asbestos problem in the Medical Sciences Building. UTFA is deeply grateful to Terezia for her strong leadership on this issue.

Many thanks to an active, hard-working, and collegial Executive Committee and Council. None of our achievements would be possible without our superb staff, to whom I offer deepest thanks for their professionalism and devotion to our members.

Cynthia Messenger
President

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