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UTFA President quoted in Benefits Canada publication on the UPP

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The single-employer defined benefit model doesn't work for the university sector for one clear reason, says Cynthia Messenger, president of the University of Toronto's Faculty Association.

"The model is flawed in one crucial way," she says. "When the plan accrues debt, the university administration must repay that debt to the pension plan. And the only way they can do it, because they're not a private corporation that can reach into profits, is to dip into the operating budget — that is, into the budgets of departments — and take the money out and put it into the pension plan. And that's the part of the model that wasn't going to survive in the long term."

As the plan's structure currently stands, the joint-governance model is its most important aspect, says Messenger, noting there are six seats on the employer side and six seats on the employee side. "Each side has a vote — this is the essential element in the joint governance . . . . We have nothing like that now. We have a very good pension committee that works well at U of T . . . but still, it's a pension plan run by the administration; they're responsible for it, they're the plan administrator."

As well, Messenger emphasizes membership will be voluntary. "We wouldn't want anyone forced into the plan. That's the basis on which it was designed. In other words, we welcome other universities, other faculties, other unions into the plan. But the plan doesn't depend on their entering the plan. The plan is sustainable with two or three, but one day we hope, and think, it would be wonderful if all universities in the province were to join the plan."

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