

**IN THE MATTER OF AN ARBITRATION  
(SALARIES, BENEFITS & PENSIONS for 2009/2010)**

**BETWEEN**

**The University of Toronto Faculty Association**

**AND**

**The Governing Council of the University of Toronto**

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**UTFA Arbitration Brief**

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**Submitted by:**

**The University of Toronto Faculty Association**

**April 19, 2010**

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**Disclaimer**

**The University of Toronto Faculty Association reserves the right to add to, modify, amend or withdraw any of these proposals during negotiations, mediation and arbitration.**

## INTRODUCTION

In these proceedings, the central question to be resolved is the normative settlement for faculty in the university sector in Ontario and Canada for the two academic years to be covered by the award: the 2009-10 academic year (which is essentially already completed) and the 2010-11 academic year.

The University of Toronto Faculty Association (UTFA) submits that the normative settlement range is between 3% and 4% for each academic year – a range that encompasses the bargaining outcomes in the university sector in Ontario before and after the September 2008 failure of Lehman Brothers.

UTFA further submits that this clear pattern in the university sector both in Ontario and across Canada is the critical factor to be considered in these proceedings. Given the strength, breadth and clarity of this pattern, it is not necessary to look outside the sector in search of a normative range when that range has already been established in the public university sector in Ontario and Canada itself.

## BACKGROUND

### Legal Framework

This arbitration arises from the Memorandum of Agreement (MOA)<sup>1</sup> between the Governing Council of the University of Toronto (the Administration) and UFTA.

Arbitrator Martin Teplitsky was invited by the parties to act as mediator/arbitrator for bargaining under Article 6 (Salary and Benefits) of the MOA pursuant to a letter dated February 19, 2009.<sup>2</sup>

The mediation phase took place over four days in December 2009 and January 2010. With the guidance of Arbitrator Teplitsky, the parties agreed to make certain amendments to the MOA.<sup>3</sup> Pursuant to these amendments, Article 8 (Workloads and Working Conditions) is now subject to the bargaining procedures set forth in Article 6 (Salary and Benefits). Changes were also made to Article 7 (Grievance Procedure).

The parties have agreed to proceed directly to arbitration on all matters subject to the new, amended, Article 6 (Salary and Benefits), including workload and information sharing. By agreement, the arbitration award shall be for a term of two years, applying to the 2009-10 and 2010-11 academic years.

### Principles Guiding this Arbitration

According to Chief Justice Warren Winkler in *Re University of Toronto and University of Toronto Faculty Association*, [2006] O.L.A.A. No. 782, two general principles form the “key pillars” for an interest arbitration award under the MOA.<sup>4</sup> These two principles are the “replication principle” and the commitment to ensure the University of Toronto (the University) is a “leader among the world’s best teaching and research institutions of higher learning.”

The “replication principle” guides decision-makers in interest arbitration to try to replicate the agreement that the parties themselves would have reached if they had been able to find agreement through collective bargaining.

The second principle, put simply, is a commitment to maintain the faculty and librarians’ status at the “top of the market.” To quote Chief Justice Winkler:

“In essence, the University has staked out a position at the top of the relevant market....It implicitly admits that maintaining that position depends to a large

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<sup>1</sup> See Tab 1 (Memorandum of Agreement dated December 31, 2006 between the Administration and UTFA).

<sup>2</sup> See Tab 2 (Letter dated February 19, 2009).

<sup>3</sup> See Tab 1 (Memorandum of Agreement) and Tab 3 (2010 Amendment to the Memorandum of Agreement).

<sup>4</sup> See Tab 4 (Chief Justice Winkler’s Award for 2005-07).

degree on maintaining the quality of its faculty and librarians... That in turn requires... ensuring that the total compensation package... is sufficient to place them at the top of the market....”

UTFA and the Administration agreed to adopt the replication model for bargaining salaries and benefits when the MOA was amended in the early 1980s. Article 6, paragraph 16, requires that any report “shall attempt to reflect the agreement the parties would have reached if they had been able to agree.”

In Chief Justice Winkler’s salary award, settlements at comparator institutions, identified as research-intensive institutions in Ontario and other parts of Canada, carried the most weight. Although the actual consumer price index (CPI) increase was deemed to be a “general economic condition,” Chief Justice Winkler observed that it was not determinative and, based on comparability, awarded an across-the-board (ATB) increase higher than the CPI increase.

## Faculty and Librarian Rank Structure

UTFA represents 2375 faculty and 142 librarians spread across the St. George, University of Toronto at Mississauga (UTM) and University of Toronto at Scarborough (UTSC) campuses. There are approximately 17 academic units in addition to UTM and UTSC, which are classified as academic units in their own right.

The majority of faculty and librarians are full-time (having an appointment of more than 75% of full-time employment) though there are also part-time faculty and librarians.

The recognized groups (and rankings, where applicable) include the following:

- Teaching Stream – Lecturer, Senior Lecturer/Senior Tutor
- Tenure Stream – Assistant Professor (Conditional), Assistant Professor, Associate Professor, Professor
- Contractually-Limited Appointments (CLTA)
- Librarians – Librarian I, Librarian II, Librarian III, Librarian IV

According to annual information received from the Administration, their numbers in 2009-10 are as follows:

	Count	FTE
<b>Tenure Stream</b>		
Assistant Professor	429	428.3
Associate Professor	654	649.5
Professor	829	811.8
<b>Teaching Stream</b>		
Lecturer	200	166.3
Senior Lecturer	182	174.8
<b>Librarians</b>		
Librarian I	9	8.4
Librarian II	19	18.1
Librarian III	86	83
Librarian IV	28	26
<b>CLTA</b>	81	80.8
<b>UTFA Total</b>	2517	2447

## UTFA PROPOSALS

### Term

This is a proposal for a two year agreement, retroactive to July 1, 2009 and ending June 30, 2011.

### A. SALARIES

#### 1. ATB Salary Increase.

- a. The ATB Increase. UTFA seeks a fair and reasonable across-the-board increase based on relevant factors including (but not restricted to) (a) the pre-eminence of the University and its faculty and librarians in Canada, (b) trends in recent settlements in higher education in Ontario and Canada.
- b. Minimum Dollar Increase for Lower-End Salaries. UTFA proposes to structure the ATB increase so as to provide for a minimum dollar salary increase, regardless of salary level. Specifically, we propose to structure the increase so that the negotiated dollar value increase at the median of the salary distribution would apply uniformly below the median salary. This would have the effect of providing greater percentage increases for faculty and librarians whose salaries are below the median salary.

#### 2. Salary Scale.

- a. Each Associate Professor's salary shall exceed each Assistant Professor's salary within the same unit.
- b. Working group to discuss raising librarian salary floors.

#### 3. Career Progress Adjustments.

- a. PTR. UTFA seeks an increase in the PTR compensation pool funds from the current less than 2% of total compensation to the original PTR model number of 3% of total compensation, and an increase in the PTR breakpoints (depending on the amount of the PTR funds).
- b. Decanal PTR Pool. Eliminate decanal 5% PTR pool, leaving it in the regular PTR pool, and introduce new separate super merit pool dollars (provostial allocation) with the amount to be determined in the context of amounts established under (c) below.
- c. Market Adjustment and Anomaly Funds. Separate funds to be established for each purpose, with amounts to be determined having regard to historical allocations to these purposes. Allocation criteria and procedures



to be negotiated (including review of existing guidelines established by the Administration). Terms of disclosure of all comparator files to be negotiated. Request that arbitrator remain seized to resolve any disputes arising from the implementation of this provision.

#### **4. Per-Course Stipend and Overload Rate**

UTFA seeks the minimum rate of pay for each full-course equivalent (FCE) to be set at \$15,000 effective July 1, 2009 and \$15,500 effective July 1, 2010 for all individuals in non-sessional appointments (i.e., represented by UTFA), research associates, retired faculty and faculty teaching on overload.

#### **5. Pensions**

- a. All pensioners to receive a pension augmentation of 0.3%, retroactive to July 1, 2009, and a pension augmentation of 0.325% on July 1, 2010. This represents the full inflation catch-up for the 2009-10 and 2010-11 academic years. Full indexation to be guaranteed for future years for all retirees. This applies to all pensions received from the RPP, OISE and SRA.
- b. Lower Deck (to YMPE \$ max) to be raised to 1.75% for all retired and active members for all years of service and the plan to be “harmonized” to the same lower deck level for all plan members. This applies to pensions received from the RPP, OISE and SRA.
- c. At the time of retirement, individual faculty and librarians to have the option of receiving a monthly pension or a lump-sum payment equal to the commuted value of the individual’s pension. People who opt to receive the lump-sum payment to be eligible for benefits on the same basis as those receiving a monthly pension.
- d. Working group to review the SRA and to propose possible changes and/or a new and more equitable, sustainable and affordable supplemental retirement plan.

## **B. BENEFITS**

Retired and active faculty and librarians shall have the same benefit coverage (excluding only those benefits that might be of no value to the relevant party) and the same premium charge and co-pay policy.

### **1. Health, Dental and Disability Benefits**

- a. Insurance Premiums. Employer to pay 100% of Extended Health Care, Semi-Private Hospital Accommodation, Vision Care and Dental Care premiums for individual and family coverage.
- b. Carry-forward of Coverage Maximums. Allow a three year carry-forward of unused annual maximums on Major Restorative Dental services, Professional Services and Clinical Psychology, and a six year carry-forward of unused biannual coverage maximums on Vision Care.
- c. Prescription Drug Coverage. Re-instatement of prescription drug coverage to all prescription drugs approved for use in Canada with the exception of over-the-counter drugs other than injectable vitamins. UTFA to be notified within ten business days when drugs come on and off the drug formulary.
- d. Clinical Psychologist. The yearly maximum for clinical psychology to be increased to \$2500.
- e. Vision Care. The maximum for vision care to be increased to \$500 every 24 months.
- f. Professional Services. Annual cap on massage therapy, physiotherapy and chiropractic care to be increased to \$750.
- g. Major Restorative Dental Care. The yearly maximum for Major Restorative Dental care to be increased to \$3,500 per person.
- h. Pre-1981 Retiree Benefits. Benefits available to people who retired during and after 1981 to be available to those who retired before 1981.
- i. Long-Term Disability. LTD plan to be modified to enable benefit recipients to return to work on a part-time basis for indefinite periods.

### **2. Other Benefits**

- a. Professional Expense Reimbursement Allowance.
  - o Reimbursement for job related expenses to be increased to \$1500 per year effective July 1, 2009.

- Reimbursement for job-related expenses to be increased to \$3000 per year for all pre-tenure and teaching stream faculty, and all librarians.
  - All retired faculty represented by UTFA to receive 40% of PERA per full course equivalent up to a maximum of 100% of PERA.
- b. Child Care Benefit.
- Maximum child care amount to be increased to \$5000 per child per year. Daily caps to be removed and reimbursement to be increased to 100%. Maximum age of eligible child to be increased to 9 years.
  - Simplify claim submission process by replacing existing application form with invoices that would be acceptable to the Canada Revenue Agency.
  - Increase overall cap to \$1.5 million per year.
  - In the event that two members are part of the same household, both members shall be entitled to the full child care benefit for each child.
  - Number of child care spaces at the University to be increased.
- c. Adoption Leave. Leave benefits provided by the University for adoptive parents to be harmonized with maternity and parental leave benefits provided by the University for biological parents. [Agreed in principle.]
- d. Dependent Scholarship Program.
- Dependent scholarships to be increased to 100% of the amount of academic fees for five full courses in a general program in Arts and Science.
  - Eliminate 80% average requirement for Dependent Scholarships.
  - Add Transitional Year Program to list of eligible programs.
  - In the event that a dependent child is eligible for the Dependent Scholarship Program through both parents, the dependent child shall be entitled to a double scholarship.
- e. Research and Study Leave. Pay during Research and Study Leave to be increased to 90% of salary.
- f. Parking Subsidy and Transit Passes. Parking subsidies or transit passes for faculty teaching in the evenings.
- g. Transportation Subsidy for Faculty Cross-Appointed to Multiple Campuses.

### **3. No Cost Proposals**

- a. Maintenance of Benefit Levels. Confirmation that the terms and level of all benefits shall be maintained by the Administration except to the extent they are modified by agreement.
- b. Renewal of Green Shield Contract. There shall be no renewal of the Green Shield contract, or entering into a new contract with a different company retained by the Administration to administer the University's health plans, in the absence of UTFA's written approval.
- c. Disclosure of Information. For more detail, see Section D (Information Sharing).
- d. Librarian Research Days.
  - o Librarians shall have the right to designate when research days will be taken provided that they give their departments at least one week's advance notice. Research days may be used for research, professional or other academic activities and may be used outside the library. Unused days may be carried forward.
  - o Research days for librarians to be increased to 20 days per year.
- e. Retirement Procedures. Formal well-defined procedure for retirement to be established. [Agreed in principle.]
- f. Appeal Procedure for Benefits. In addition to the existing grievance procedure under the MOA, a formal procedure for appealing rejected benefit claims to be established.

### **C. WORKLOAD**

UTFA's detailed workload proposal may be found in this section.

### **D. INFORMATION SHARING**

1. Outstanding information issues from prior negotiation.
2. Additional information issues for 2009-10.

**E. UTFA DUES REDIRECTION**

UTFA dues that are redirected as a result of conscientious objection shall be remitted to the United Way, Doctors Without Borders or the Stephen Lewis Foundation.

**F. MEMORANDUM ISSUES**

1. In accordance with Article 17 of the MOA, UTFA proposes the following changes to the MOA:
  - a. The Administration to recognize UTFA as the exclusive bargaining agent for both active and retired faculty and librarians and to undertake not to enter into agreements with groups of faculty or librarians other than those designated by UTFA. Reference throughout the MOA shall be to both active and retired faculty and librarians unless the context indicates otherwise.
  - b. The Administration to undertake not to make any adverse changes to the terms and conditions of employment of faculty and librarians, or to make any plans that adversely affect or could adversely affect faculty and librarians, without prior consultation and approval of UTFA. Whenever the phrase “terms and conditions of employment” is used in this agreement, it shall include the rights and benefits enjoyed by retired faculty and librarians.
  - c. The MOA to be amended if necessary to give effect to any agreed items.

**UTFA**

**Negotiating Team**

**2009-2010**

George Luste	UTFA President and Department of Physics.
Cynthia Messenger	Chair, Appointments Committee, and Innis College Writing Program.
Jeff Newman	Chair, Librarians Committee, and Robarts Library.
Scott Prudham	Chief Negotiator, Vice-President, Salary, Benefits and Pensions, and Department of Geography.
Peter Russell	Emeritus University Professor of Political Science.
Peter Sawchuk	OISE/UT, Department of Sociology & Equity Studies in Education.
Judith Teichman	Chair, Equity Committee, and UTSC, Political Science.
Terezia Zoric	Chair, Teaching Stream Committee, and OISE/UT, Department of Theory & Policy Studies in Education.

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**1. ATB Salary Increase**

**a. The ATB Increase**

***UTFA Proposal:***

***UTFA seeks a fair and reasonable ATB increase based on relevant factors including:  
(a) the pre-eminence of the University and its faculty and librarians in Canada, and  
(b) trends in recent settlements in higher education in Ontario and Canada.***

**Preliminary Note on Comparator Institutions**

In our supporting documentation, we present comparisons of salaries with three groups of universities: Ontario universities; ten universities among the so-called G-13 group of research-intensive universities in Canada with which the University is comparable; and a group of seven large universities in Canada.

We submit that comparisons with other parts of the broader public sector in Ontario would be appropriate only if there were no relevant comparisons possible within the university sector. That is clearly not the case in Ontario, where we have a large number of comparator institutions available, several of which are considered by the Administration itself to be appropriate peer comparables.

We compare with Ontario universities because other universities in Ontario operate in essentially the same economic environment as the University.

We compare with research-intensive universities because that is the group within Canada with which the University competes for faculty. Our comparison omits the two French-language universities in Quebec on the grounds that those universities are for practical purposes not competing with the University for faculty. We also omit McGill from the numerical comparisons on the grounds that McGill, alone among major Canadian universities, lacks a binding and independent process for resolving collective bargaining differences.

For the record, McGill's long-term objective is to pay its faculty at a rate consistent with the three best-paid university faculties in Canada and as an interim measure to pay at the median of the major research-intensive universities.



## Salaries at the University and at Comparator Institutions

The University is the largest, wealthiest and most prestigious university in Canada. Since the mid-1980s, that pre-eminent status has been reflected in salaries that are the highest among universities in Ontario, and among the major research-intensive universities in Canada. In the current agreement, we seek to maintain this position.

The following table presents a comparison of average academic salaries in research-intensive universities in Canada by rank and in total for tenure stream faculty for the academic year 2007-08.

### Salaries at the University of Toronto and other Research-Intensive Universities

University of Toronto and Research-Intensive Universities						
	Average Salaries			Rank		
	Professor	Associate	Assistant	Professor	Associate	Assistant
Alberta	140,669	105,417	85,433	6	8	8
UBC	146,352	109,872	96,834	2	6	3
Calgary	144,415	108,776	88,901	3	7	6
Dalhousie	125,473	99,574	80,936	10	10	10
McMaster	140,247	114,339	90,387	7	5	5
Ottawa	130,761	104,861	83,543	9	9	9
Queen's	135,086	114,471	101,628	8	4	1
<b>Toronto</b>	<b>161,575</b>	<b>126,749</b>	<b>100,915</b>	<b>1</b>	<b>1</b>	<b>2</b>
Waterloo	142,869	116,453	91,807	4	2	4
Western	141,595	115,275	88,632	5	3	7

## ATB Settlements in the University Sector in Ontario and Canada

ATB settlements in universities in Canada and in Ontario for the academic years 2009-10 and 2010-11 have consistently been in the range of 3% to 4%. Furthermore, there has been no appreciable difference in settlements reached prior to and after the collapse of Lehman Brothers in September 2008, indicating that the pattern has been quite resilient in the face of deteriorating conditions in the broader economy.

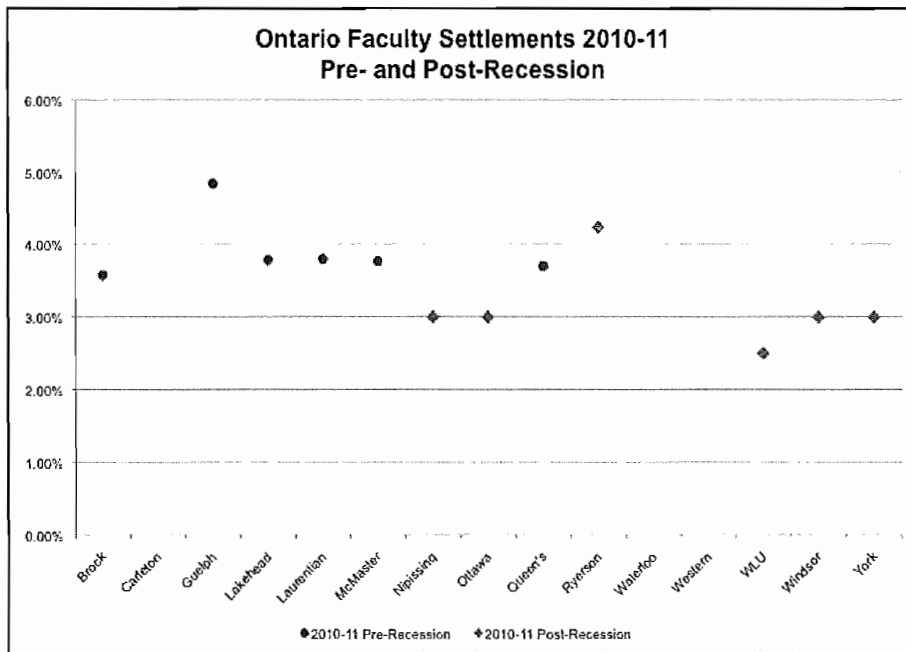
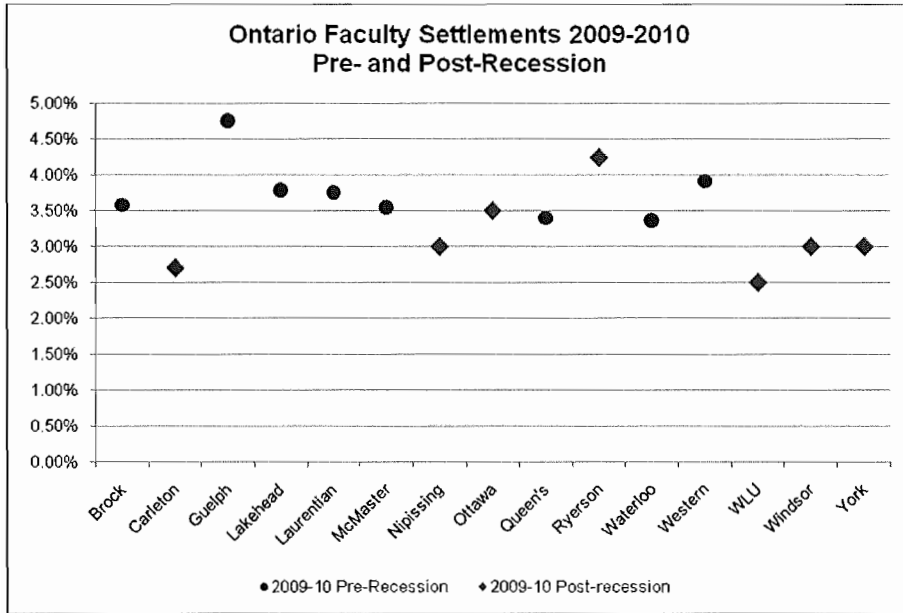
The following table presents salary base increases negotiated for the academic years 2009-10 and 2010-11 for universities in Ontario and for research-intensive universities in Canada, as well including comparisons for Ontario showing settlements before and after October 2008.

## Settlements in Ontario Universities

<i>Salary increases for 2009-10 and 2010-11 Academic Years, Ontario Universities</i>				
	2009-10 Pre-Recession	2009-10 Post-recession	2010-11 Pre-Recession	2010-11 Post-Recession
Brock	3.58%		3.58%	
Carleton		2.70%		
Guelph	4.75%		4.84%	
Lakehead	3.78%		3.79%	
Laurentian	3.75%		3.80%	
McMaster	3.54%		3.77%	
Nipissing		3.00%		3.00%
Ottawa		3.50%		3.00%
Queen's	3.40%		3.70%	
Ryerson		4.24%		4.24%
Waterloo	3.36%			
Western	3.91%			
WLU		2.50%		2.50%
Windsor		3.00%		3.00%
York		3.00%		3.00%
<b>AVERAGE</b>	<b>3.76%</b>	<b>3.13%</b>	<b>3.91%</b>	<b>3.12%</b>
<b>OVERALL</b>	<b>3.47%</b>		<b>3.52%</b>	

Source: Ontario Confederation of University Faculty Associations and individual collective agreements.

Settlements in Ontario Pre- and Post- Recession



Source: Ontario Confederation of University Faculty Associations and individual collective agreements.

## Settlements at the Group of 10 Canadian Universities

<i>Salary increases for 2009-10 Academic Year</i>		
Group of 10 research intensive universities outside Quebec		
	ATB % increase	
	2009-10	2010-11
Dalhousie	3.18%	3.58%
McMaster	3.54%	3.77%
Ottawa	3.50%	3.00%
Queen's	3.40%	3.70%
Waterloo	3.36%	
Western	3.91%	
Alberta	4.75%	4.75%
Calgary	4.50%	
UBC	3.32%	
<b>AVERAGE</b>	<b>3.72%</b>	<b>3.76%</b>

Source: Ontario Confederation of University Faculty Associations and individual collective agreements.

### **The Ontario Context**

The economic recession has, by all accounts, been milder in Canada than in the US and many other countries. Moreover, in Ontario the impact of the downturn was highly concentrated in sectors of the economy most directly exposed to the United States' economy, notably the manufacturing and resource sectors.

Other sectors of the economy have held up relatively well, buoyed in part by the effect of an unprecedented investment in economic stimulus at both the Federal and provincial levels. The positive effect of the economic stimulus began to be felt in the fall of 2009, with the full impact coming through the summer and fall of 2010 as stimulus projects approved in 2009 come on stream.

Statistics Canada has recently reported in the Canadian Economic Observer that Canada's recession was milder and shorter than that of any of the other G7 countries, and milder and shorter than earlier recessions in Canada. Perhaps equally significantly, the Statistics Canada report pointedly and repeatedly refers to the recession of 2008-09 in the past tense. The report finds:

“Canada experienced a recession that was less severe and shorter than in the other G7 nations. Between the third quarter of 2008 and the second quarter of 2009, real GDP in Canada fell by 3.6%. This compares with a total decline of 3.8% in the US during 2008-2009, and even larger declines in Europe and Japan. The drop in Canada's GDP that occurred over those three quarters also was shorter than the four to six quarters of contraction in the other G7 nations.

....

Nor was the 2008-2009 recession in Canada unusually long or severe in comparison with the recessions of 1981-1982 or 1990-1992.

....

To the degree that the 2008-2009 global recession originated in balance sheets, strong balance sheets in Canada stood it in good stead to endure the recession and emerge into recovery. The recession was shorter and milder in Canada than in other G7 nations, partly because the flow of credit was not disrupted as it was in other nations and a large pool of savings was available to finance spending when income fell temporarily. This reflects both healthier balance sheets built up during the 2003-2008 commodity boom and the absence of problems in major financial institutions such as those seen in the US and Europe.”<sup>5</sup>

While these observations relate to national data for Canada, available leading indicators point to a similar conclusion for Ontario (see below). In combination, the relatively milder downturn and governments’ aggressive stimulus response has resulted in a much milder and shorter recession in 2008-09 in Canada and in Ontario than in the recessions of 1981 and 1991.

As part of that aggressive response, the provincial government has made significant investments both in protecting jobs threatened by the economic slowdown (most notably through loans to General Motors and Chrysler) and in establishing a foundation for future growth in “green jobs.”

As a result, signs are beginning to emerge that an economic recovery is under way. The latest publication of economic indicators for Ontario by Statistics Canada reveals broadly-based positive news.<sup>6</sup> The GDP in Canada in fact grew by 5.0% in the final quarter of 2009 and by 3.0% in Ontario in the same period. Employment has begun growing again, increasing by 0.6% for March 2010 compared with the same month in 2009. January to January, average weekly earnings are up 2.4%. Retail trade is up by 6.5% January to January. Manufacturing sales are up 16.9%, January to January. The housing sector has rebounded with particular strength, with building permits up, February to February, by 73% and housing starts up by 82.6%.

### **Faculty Compensation as a Diminishing Cost at the University**

Faculty compensation as a share of the operating budget has been decreasing over time.

Today the total faculty compensation share of the total operating budget is almost 50% less than it used to be 12 years ago. Total faculty compensation used to be about 47% of the operating budget in 1997-98, now it is around 28%. Total compensation includes all benefits and overheads for the University such as CPP, EI, etc. Furthermore total student numbers have increased substantially over the same time period, by about 50%, from 42,100 to 63,695 full time equivalent (FTE). When CPI is taken into account, the real dollar cost of faculty compensation per student FTE has decreased by about 24% over the

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<sup>5</sup> Statistics Canada, Canadian Economic Observer, April 2010. <http://www.statcan.gc.ca/pub/11-010-x/2010004/part-partie3-eng.htm>. See Tab 60 (Excerpts from Philip Cross, “Year-End Review of 2009).

<sup>6</sup> <http://www40.statcan.gc.ca/l01/cst01/indi02g-eng.htm>.

12 years, from \$6,512 per student FTE in 1997-98 to \$4,926 per student FTE in constant dollars in 2008-09 ( $\$4,926 = \$6,207 / 1.26$ ).

The following data table validates the above statements. All input data to the table comes from University publications, excepting for the CPI numbers.

Faculty Salaries as % of UofT Operating Budget and per student cost								
Budget Year	Uof T Operating Budget \$ Expenses note(i) A	Faculty Total \$ Compensation note (ii) B	Faculty Total \$ Salary note (ii), (iv) C	Faculty Cost as % of Operating Budget D = B / A	Faculty Salary as % of Operating Budget note (vi) E = C / A	Student FTE count note (iii) F	Faculty \$ Cost per Student FTE note (v) G = B / F	Toronto Inflation (CPI) Change note (vii) H
97-98	581,035,000	274,175,208	235,111,036	47%	40%	42,100	\$ 6,512	100
98-99	618,434,000	272,720,610	226,604,148	44%	37%	43,340	\$ 6,293	101
99-00	664,373,000	263,864,323	231,483,042	40%	35%	44,681	\$ 5,906	104
00-01	743,238,000	240,805,986	210,113,706	32%	28%	44,952	\$ 5,357	108
01-02	830,575,000	266,539,999	233,811,640	32%	28%	47,446	\$ 5,618	109
02-03	907,800,000	283,521,672	247,377,224	31%	27%	51,008	\$ 5,558	113
03-04	1,034,900,000	336,998,130	266,826,626	33%	26%	55,798	\$ 6,040	116
04-05	1,070,900,000	344,925,405	269,371,315	32%	25%	57,887	\$ 5,959	117
05-06	1,144,100,000	352,823,801	273,787,666	31%	24%	60,203	\$ 5,861	120
06-07	1,214,400,000	368,390,476	289,069,028	30%	24%	61,210	\$ 6,018	121
07-08	1,275,900,000	385,484,758	301,299,513	30%	24%	62,301	\$ 6,187	124
08-09	1,434,900,000	395,352,378	315,980,051	28%	22%	63,695	\$ 6,207	126
note (i) Column A data from annual UofT 'Facts & Figures' booklets, excepting 08-09 which is from Blue Book note (ii) Columns B and C from annual UofT Summary of Total Compensation Tables, UofT Financial Services note (iii) Column F data from annual UofT 'Facts & Figures' booklets, excepting for 08-09 note (iv) Salary column C does not include University share of Benefits, CPP, EI etc. Column B does. note (v) Column G faculty compensation \$ cost per student is NOT adjusted for inflation note (vi) Percentage difference variations between column D and E are most likely due to pension holidays by University note (vii) Column H shows relative Toronto CPI number (from Stats Canada) for December in each budget year								

The data for columns A and F come from the University's "Facts & Figures" booklets.<sup>7</sup> The data in columns B and C come from the Administration's response to UTFA's Annual Information Request IR #A-2.<sup>8</sup>

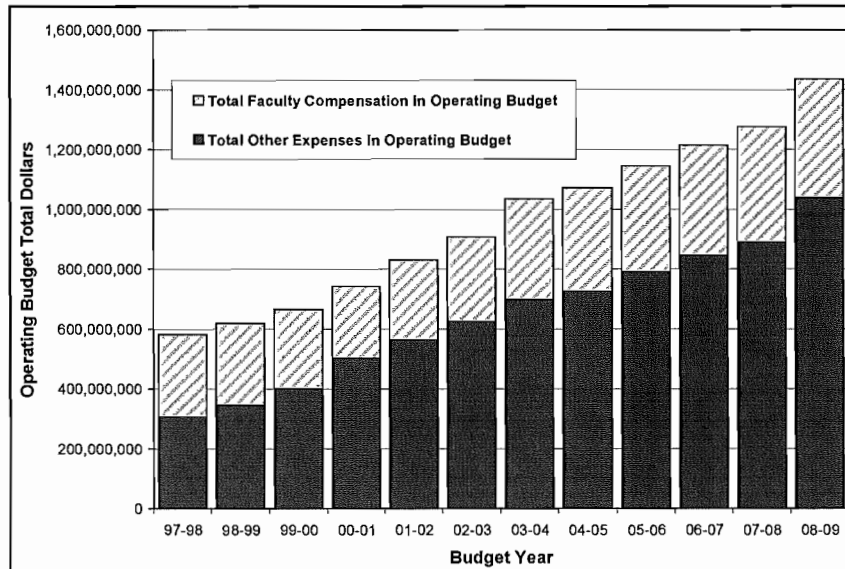
The source of the increases in the non-faculty costs is difficult to determine at this point. One possibility is the increasing number of highly paid administrators.

<sup>7</sup> See Tab 5 (Excerpts from Facts and Figures, 2008).

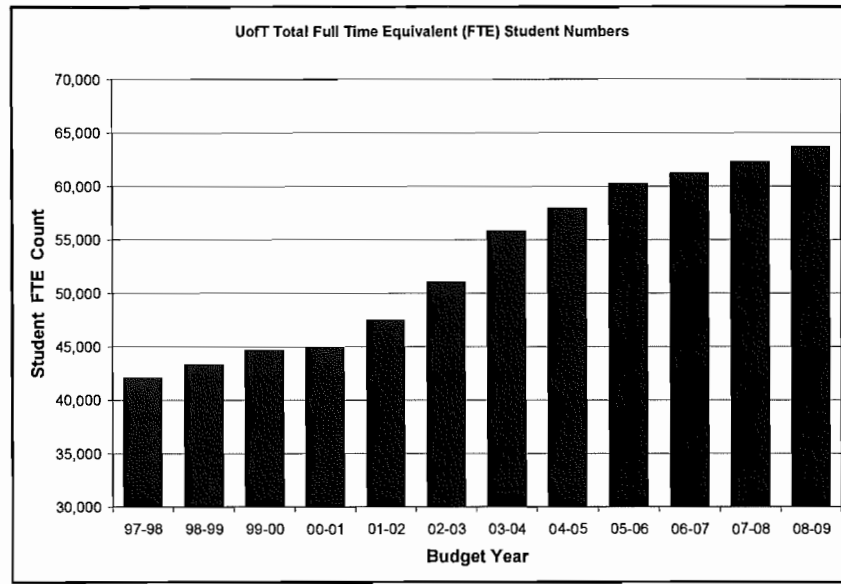
<sup>8</sup> See Tab 6 (Summary of Total Compensation for May 1, 2007 to April 30, 2008).

The following two charts further illustrate the data in the last table.

Total Operating Budget = Faculty Compensation + Other Expenses



Total Student Numbers at UofT – Full Time Equivalent (FTE)



**Salary Increases for Senior Administrative Positions and Senior Salaries**

Total incomes for senior administrative positions, such as the president, the provost, the deans and other senior salaries at the University have increased substantially over the last 13 years, way in excess of the ATB settlements for faculty over the same time period.

The Ontario public disclosure list for salaries over \$100,000 and additional taxable benefits was initiated in 1996. The data for the following table and chart come from the fourteen disclosures from 1996 to 2009. "Taxable Income" in the table and chart represents the sum of the salary plus additional "taxable benefit." A number of individuals have taxable benefits in excess of \$20,000. The highest total income in 2009, at \$607,428, was for the CEO of UTAM, in spite of the record losses in endowment and pension monies in 2008. The highest income in 1996, at \$279,293, was for the Dean of Medicine.

The following table is an update of a similar table in an UTFA Newsletter from 2007.<sup>9</sup>

<b>Total Taxable Income - Increases - over 13 years, 1996 to 2009</b>				
<b>University of Toronto</b>	<b>1996 Taxable Income</b>	<b>2009 Taxable Income</b>	<b>Total increase over 13 years</b>	<b>Annual Compound Increase</b>
<b>Position of the UofT President</b>	\$ 214,459	\$ 430,716	<b>101%</b>	<b>5.5%</b>
<b>Position of the Provost</b>	\$ 182,709	\$ 360,763	<b>97%</b>	<b>5.4%</b>
<b>Position of the Dean - Management</b>	\$ 177,911	\$ 388,618	<b>118%</b>	<b>6.2%</b>
<b>Position of the Dean - Arts &amp; Science</b>	\$ 130,832	\$ 325,672	<b>149%</b>	<b>7.2%</b>
<b>Position of the Dean - Engineering</b>	\$ 152,555	\$ 383,399	<b>151%</b>	<b>7.3%</b>
<b>Position of the Dean - Law</b>	\$ 151,002	\$ 304,251	<b>101%</b>	<b>5.5%</b>
<b>Average of top 25 UofT Incomes</b> (This includes Administration, Staff and Faculty)	\$ 181,563	\$ 367,967	<b>103%</b>	<b>5.6%</b>
<b>Inflation</b> (total CPI change in Toronto)			<b>30%</b>	<b>2.0%</b>
<b>UofT Across-the-Board (ATB)</b> (% salary change for all faculty and librarians)			<b>34%</b>	<b>2.3%</b>

Over the 13 years, from 1996 to 2009, Toronto CPI changed by about 30% representing an annual compound increase of 2.0%. Over the same period, the University's annual compound ATB salary increase for faculty and librarians was 2.3% for a corresponding total of 34%.

The salaries for the six senior administrative positions shown increased by an average of 120% over the 13 years. This is way in excess of inflation and about four times the general ATB settlements for faculty and librarians over the same time period, which totalled 34%.

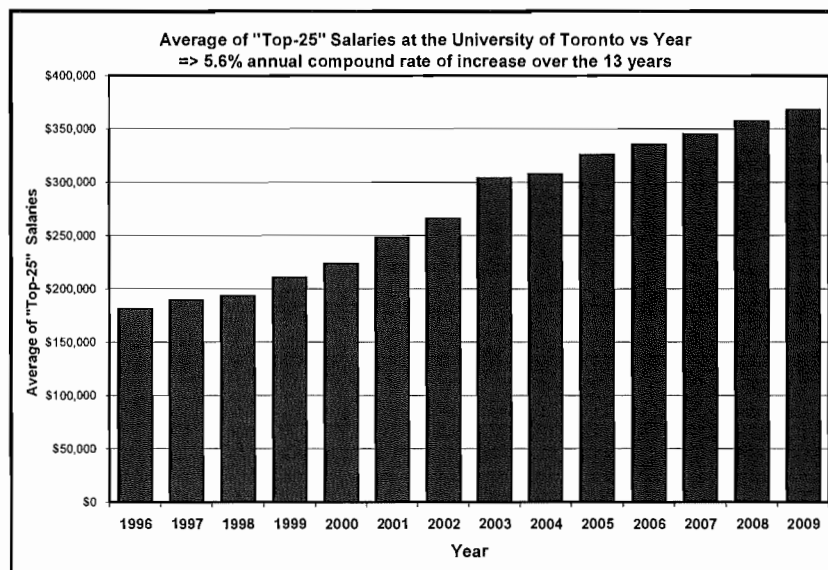
<sup>9</sup> See Tab 7 (UTFA Information Report #8, "High-End Incomes (& Salaries)").



It bears repeating that UTFA's past record of salary settlements shows a pattern of reasonable behaviour. In contrast, the top administrators at the University have received much more generous salary increases. If UTFA members could be provided with similar percentage increases (the 120% total increase over the 13 years), retroactively, we would now be quite willing to join the senior administration in a salary freeze for a year or two.

How representative are the six administrative salaries shown? If one selects the top 25 University incomes from the public list, the average of these incomes increased by 103% from 1996 to 2009. This is very similar to the above six administrative positions. It is still way in excess of CPI and ATB totals of 30% and 34%, respectively. It should be noted that the 'top 25' will include senior administrators, senior staff and senior faculty and the names on the list will not be exactly the same from year to year. But as an income mass it represents a salary measure and we can observe how this composite salary mass has changed from year to year.

The following chart illustrates the year by year changes for the top 25, starting with \$181,563 in 1996 and ending with \$365,967 in 2009.



Some years in the chart stand out with higher increases than others:

- 1999 saw an increase of 9%, while UTFA's ATB increase was about 2.5%.
- 2001 saw an increase of 11%, while UTFA's ATB increase was 2.5%.
- 2003 saw an increase of 14%, while UTFA's ATB increase was 2.3%.

## **Capital Projects**

The University is “in the midst of its greatest capital expansion program in 40 years”<sup>10</sup> with capital expenditures increasing particularly in the past few years. In order to further the University’s plan to increase graduate enrolment and enhance student experience, it was reported at Business Board that approximately \$700 million in capital expenditures over the period 2006-10 was planned.<sup>11</sup>

Projects currently under construction as at February 28, 2010 totalled approximately \$369 million. Of that amount, \$216 million was approved in 2009 or later.<sup>12</sup> Major projects include: the Rotman School of Management Expansion (\$91.8 million), the Medical Academy Building (\$36.96 million) and the Robarts Library Expansion (\$24.4 million).

Projects completed in 2008-09 totalled approximately \$103 million.<sup>13</sup>

The University has also made real estate acquisitions such as 90 Queen’s Park (ROM Planetarium) for \$22 million. The ROM Planetarium acquisition was approved by the Business Board in January 2009 despite there not being any apparent use planned for the property as at that time. The ROM continues to use it as an office and storage facility.

## **Workload**

This matter is dealt with below, but it should be pointed out, as indicated above, that the number of student FTEs has increased by about 50% in the past ten years. The University is at the high end, in terms of student to faculty ratios, when compared with other Canadian peer universities, and much higher than its US peers.<sup>14</sup>

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<sup>10</sup> See <http://www.greatspaces.utoronto.ca/>.

<sup>11</sup> Report Number 154 of the Business Board, January 15, 2007.

<sup>12</sup> Tab 8 (Business Board Approved Capital Projects Under Construction as at February 28, 2010).

<sup>13</sup> Tab 9 (Real Estate Operations, February 8, 2010).

<sup>14</sup> See Tab 28 (Excerpts from “University of Toronto Performance Indicators”).

**b. Minimum Dollar Increase for Lower-End Salaries**

***UTFA Proposal:***

***UTFA proposes to structure the ATB increases so as to provide for a minimum dollar salary increase, regardless of salary level. Specifically, we propose to structure the increase so that the negotiated dollar value of the increase at the median of the salary distribution would apply uniformly below the median. This would have the effect of providing greater percentage increases for faculty and librarians whose salaries are below the median salary.***

Although the University's faculty and librarians are generally paid at or above the top levels among major universities in Canada and their median salaries are the highest in Canada, salaries at the lower end of the distribution are more widely dispersed and relatively modest.

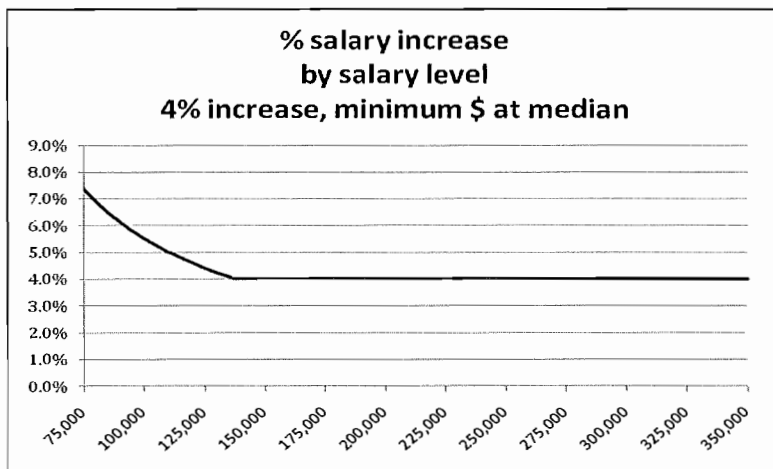
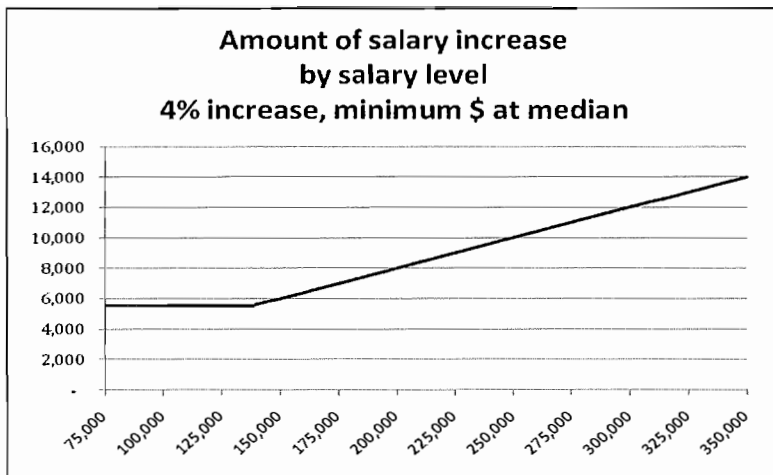
The proposed structure of our ATB salary increase proposal is designed to address the issue of low-paid faculty and librarians. Lower-paid faculty at the University are paid salaries that are lower than lower-paid faculty at other institutions located in areas with much lower living costs.

Consider, for example, with an ATB salary increase at the 4% level which represents the top of the range of settlements in the university sector in Canada and Ontario for the two academic years to be covered by this award.

Applying a 4% increase to the median salary of tenure stream faculty for 2009-10 of \$137,911 yields a dollar increase of \$5,516. Under UTFA's proposal, that dollar increase would apply to all faculty whose salaries are below the median. For faculty above the median, the salary increase would be 4%. The effect would be to provide a higher percentage increase to faculty whose salaries are below the median than to faculty whose salaries are above the median.

The following charts show, respectively, the dollar amount of salary increase and the percentage salary increase under this model, by 2009-10 salary level.

Overall, a 4% salary increase with a minimum increase at 4% of the median salary for tenure stream faculty would increase the salary mass for tenure stream faculty by 4.4%.



One way to measure the low-pay phenomenon is to compare the salaries paid at the lower end of the salary distribution with those paid at the median. Another is to compare salaries paid to faculty at the lower end of the salary distribution with those in a similar relative position at other universities.

The tables below present the salary paid at the 10<sup>th</sup> percentile of the salary distribution as a percentage of the salary paid at the median for all ranks and for Assistant Professors at each of the ten Canadian research-intensive universities in our comparison group.

It shows that although the University ranks at or near the top in average salaries for every academic rank, the relative position of its lowest-paid faculty is among the weakest in the top ten. For both Assistant Professors and for all ranks, the University's low-paid faculty are lower-paid relative to the median than all but one of the comparator institutions.

Lower-paid faculty relative to median, University of Toronto in the group of 10

<i>10th percentile salary vs. median -- All Ranks</i>		
	10th percentile % of median	Rank
Dalhousie	75%	4
McMaster	63%	10
Ottawa	75%	3
Queen's	76%	2
<b>Toronto</b>	<b>67%</b>	<b>9</b>
Waterloo	68%	8
Western	72%	6
Alberta	71%	7
Calgary	74%	5
UBC	80%	1

<i>10th percentile salary vs. median -- Assistant Professors</i>		
	10th percentile % of median	Rank
Dalhousie	83%	2
McMaster	77%	7
Ottawa	83%	3
Queen's	81%	5
<b>Toronto</b>	<b>75%</b>	<b>9</b>
Waterloo	77%	8
Western	80%	6
Alberta	74%	10
Calgary	81%	4
UBC	83%	1

## **2. Salary Scale**

### **a. Associate Professor Salaries**

***UTFA Proposal:***

***Each Associate Professor's salary shall exceed each Assistant Professor's salary within the same unit.***

When a newly hired faculty member is paid a higher salary than a colleague in the same unit with a higher academic rank, it sends a negative message to incumbent faculty that damages morale, calls into question the credibility of the salary determination system and undermines the purpose of academic promotion.

To the extent that market conditions require that starting salaries be offered above those paid to higher-ranked faculty, such salaries must be adjusted to maintain the relationships between academic ranks within the unit.

### **b. Librarian Salary Floor Working Group**

***UTFA Proposal:***

***Working group to discuss raising librarian salary floors.***

On an equivalent level-to-level comparison, salaries for librarians at the University are far from consistent either with the University's position as Canada's pre-eminent academic institution or with the status of the University's library system.

The table below presents Statistics Canada summary data for the academic year 2007-08 for academic librarians, by librarian rank. It shows that the University's librarians rank 6<sup>th</sup> at level I and 6<sup>th</sup> at level II. These levels comprise 19% of the academic librarians at the University. The University ranks 3<sup>rd</sup> at level III, making up 63% of the University's academic librarians. Only at level IV do the University's librarians rank first. This group makes up 18% of the University's academic librarians.

University of Toronto Librarians compared with Group of 10

Salaries for academic librarians at the Group of 10 Research-Intensive Universities								
	Level 1		Level 2		Level 3		Level 4	
	Average	Rank	Average	Rank	Average	Rank	Average	Rank
Dalhousie	48,212	7	57,545	8	63,659	8	95,816	3
McMaster			62,569	5	67,464	6	84,240	5
Ottawa			55,844	9	74,804	5	91,072	4
Queen's	58,965	3	68,188	4	82,684	4	96,145	2
Toronto	53,788	6	61,597	6	90,561	3	107,003	1
Waterloo			53,397	10	61,552	9	69,054	7
Western	55,268	5	59,137	7	67,352	7	79,340	6
Alberta	82,752	1	102,673	2	125,708	1		
Calgary	58,504	4	72,261	3	94,717	2		
UBC	77,769	2	105,496	1				
Toronto		6th of 7		6th of 10		3rd of 9		1st of 7

Source: CAUT report for 2007-08, data from Statistics Canada.

Overall, librarian salaries at the University rank 2<sup>nd</sup> among the group of 10. As is the case with faculty, while the University's salaries for librarians at the higher ranks are at the high end of the range, salaries at the lower ranks are at low end of the range relative to salaries at comparator institutions.

### 3. Career Progress Adjustments

#### a. Progress-Through-the-Ranks (PTR)

***UTFA Proposal:***

***UTFA seeks an increase in the PTR compensation pool funds from the current less than 2% of total compensation to the original PTR model number of 3% of total compensation, and an increase in the PTR breakpoints (depending on the amount of the PTR funds).***

Tab 10 (Background to the University of Toronto's Salary System) presents an overview of how the PTR system operates in the context of the University's salary determination structure.

As originally designed, the University's career progress system was intended to allocate approximately 3% of the total salary budget each year to career development pay increases – the equivalent in the academic community to progress through a pay scale in other contexts - known as Progress-Through-the-Ranks (PTR). That percentage has dropped steadily over the years for a number of reasons. In many years, because ATB increases fell behind inflation, the real value of career adjustments in salaries was reduced. Competitive pressures forced the University to increase its starting salaries at a rate higher than the rate of inflation. And particularly in recent years, the University came to provide increases beyond those available through PTR and ATB increases through its anomaly and market adjustment process.

The net effect has been that PTR adjustments have dropped from the originally intended 3% of the salary mass to less than 2%. The following table shows PTR amounts as a percentage of salary, on average, for selected years.

<b><i>PTR as % of Salary</i></b>	
Increase date	
01/07/2009	1.72%
01/07/2008	1.75%
01/07/2007	1.87%
01/07/2005	1.88%

A further effect is that the career salary progression delivered by the PTR system is quite different from that implied by the original PTR model. The original model implied an inflation-corrected relationship of 2.73:1 between starting salary and salary at



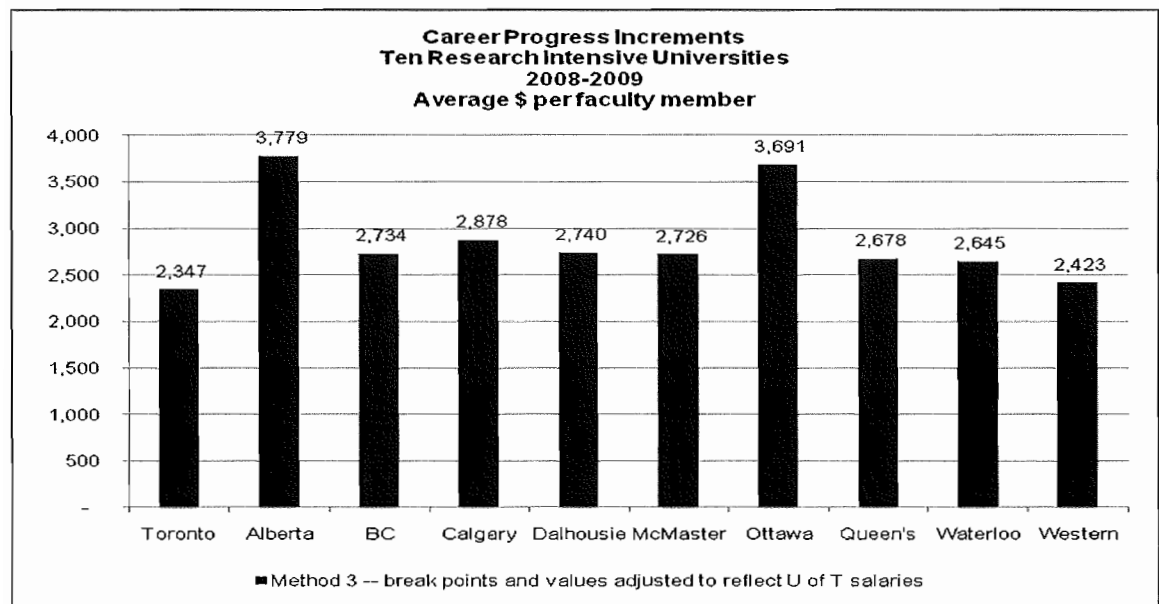
retirement.<sup>15</sup> A regression analysis of the current University of Toronto salary structure indicates a ratio of 1.64:1.

The University's PTR system is materially behind the systems in place at the other universities in the group of 10 research-intensive universities used in our national comparisons.

The following two tables present a summary comparison of the career increment systems. The comparison was prepared by applying the career increment factors used at these institutions, adjusted for salary differences, to the salary demographic at the University.

Career Increment Systems Compared – Group of 10 Research-Intensive Canadian Universities

<i>Average PTR Amounts</i>				
Using career progress systems at research intensive universities				
	Average PTR	% of salary	Rank	% difference from U of T
Toronto	2,347	1.75%	10	0%
Alberta	3,779	2.82%	1	61%
BC	2,734	2.04%	5	16%
Calgary	2,878	2.15%	3	23%
Dalhousie	2,740	2.05%	4	17%
McMaster	2,726	2.03%	6	16%
Ottawa	3,691	2.75%	2	57%
Queen's	2,678	2.00%	7	14%
Waterloo	2,645	1.97%	8	13%
Western	2,423	1.81%	9	3%



<sup>15</sup> The model assumed a starting salary of \$12,000 per year at age 28 and a salary at retirement of \$32,800 (all figures inflation-neutral).

This comparison reveals that the University's system ranks 10<sup>th</sup> among the group, producing a career adjustment average that is on average \$575 lower per faculty member than the PTR system at comparator universities.

**b. Decanal PTR Pool**

***UTFA Proposal:***

***Eliminate decanal 5% PTR pool, leaving it in the regular PTR pool, and introduce new separate super merit pool dollars - provostial allocation with amount to be determined in the context of amounts established under (c) below.***

The current system carves out 5% of the total PTR pool for allocation within University divisions by deans or their equivalents instead of by the collegially-determined PTR award system. This practice works against the interests of the majority of faculty members without apparently meeting the Administration's need for a salary mechanism geared towards the retention of high-performing faculty.

The fact that the decanal pool system does not meet the Administration's needs is evident from the Administration's heavy reliance on unilaterally-determined anomaly and market adjustments.

c. **Anomaly and Market Adjustments**

***UTFA Proposal:***

***Separate funds to be established for each purpose, with amounts to be determined having regard to historical allocations to these purposes. Allocation criteria and procedures (including review of existing guidelines established by the University). Terms of disclosure of all comparator files to be negotiated. Request that arbitrator remain seized to resolve any disputes arising from the implementation of this provision.***

Every major university in Canada provides for extraordinary adjustment in salaries both to provide redress for salary anomalies that have emerged over the years and to provide a basis for universities to compete to retain faculty members who are in a position to pursue other opportunities.

Three factors distinguish the situation at the University: lack of transparency and faculty engagement; the absence of a maximum anomaly and retention amount, and the size of the allocation for these purposes relative to the salary base.

The extent to which the University relies on this unilateral mechanism for salary adjustment relative to its reliance on the collegially maintained PTR merit pay system undermines the salary determination system as a whole and makes a mockery of the bargaining mechanism set forth under Article 6 (Salary and Benefits) of the MOA.

The table below summarizes the effect of the anomaly and market adjustment system at the University since the mid-1990s. Over that period, anomaly and market adjustments ranged from a low of 0.15% of total salaries to a high of 1.42% of salaries. In other words, the amount allocated to anomaly and market adjustments have ranged from 8% to 80% of the amount allocated to the merit-based PTR salary increment system.

Over the past three years, anomaly and market adjustments have added approximately 1% to the aggregate faculty salary mass at the University.

## Impact of Anomaly and Market Adjustments

<b>Anomaly and market adjustments, total, average, and share of total salary 1996-97 to 2008-09</b>				
Year	Anomaly/market adjustment	No. of faculty	Average increase	Est. % of total U of T salaries
1996-7	202,958	34	5,969	0.15%
1997-8	226,576	31	7,309	0.17%
1998-9	760,413	99	7,681	0.54%
1999-0	997,922	120	8,316	0.69%
2000-1	2,177,052	197	11,051	1.42%
2001-2	1,116,414	116	9,624	0.66%
2002-3	1,831,434	195	9,392	0.99%
2003-4	967,343	97	9,973	0.50%
2004-5	1,229,101	122	10,075	0.60%
2005-6	447,667	55	8,139	0.21%
2006-7	1,073,077	91	11,792	0.48%
2007-8	735,409	80	9,193	0.30%
2008-9	555,432	45	12,343	0.22%

#### 4. Per Course Stipend and Overload Rate

***UTFA Proposal:***

***The minimum rate of pay for each full-course equivalent to be set at \$15,000 effective July 1, 2009 and \$15,500 effective July 1, 2010 for all individuals in non-sessional appointments (i.e. represented by UTFA), research associates, retired faculty and faculty teaching on overload.***

UTFA members teaching on stipend or overload are valuable and permanent members of the University. From the perspective of student experience, it is consistent with the University's teaching and research goals to have students taught by faculty who have permanent appointments and who participate in the scholarly community at the University.

Accordingly, stipend and overload rates paid to UTFA members should be at least commensurate with rates paid to other instructors compensated on a course-by-course basis.

#### Comparison of Stipend/Overload Rates for UTFA and CUPE 3902 Unit 3 Members

	2006/7	2007/8	2008/9	2009/10	2010/11	2011/12
<b>UTFA</b>	12,500	14,000	14,490			
<b>CUPE 3902, Unit 3</b>	13,050	13,550	14,000	14,250 14,990*	15,340	15,650

\* Rate as of May 1, 2010 for Sessional Lecturer 3 (new rank).

Note: The CUPE 3902 Unit 3 rate used is the rate applicable to the highest ranking sessional lecturers in the unit.

## 5. Pensions

### a. Augmentation

#### *UTFA Proposal*

*All pensioners to receive a pension augmentation of 0.3%, retroactive to July 1, 2009, and a pension augmentation of 0.325% on July 1, 2010. This represents the full inflation catch-up for the 2009-10 and 2010-11 academic years. Full indexation to be guaranteed for future years for all retirees. This applies to all pensions received from RPP, OISE and SRA.*

#### **Background**

The University of Toronto Pension Plan and the OISE Pension Plan (together, the UofT Pension Plans) provide for pension indexation to retirees at 75% of inflation.<sup>16</sup> Augmentation refers to the missing 25% of inflation. Previous settlements and arbitration awards over the past 25 years of UTFA bargaining history have included augmentation on a year by year basis. UTFA's strong recommendation is that we continue with this past practice.

The economic inflation assumption in the going concern actuarial valuation of the UofT Pension Plans is that the annual increase in the CPI will be 2.5% per annum. Thus, the UofT Pension Plans' valuations anticipate 1.875% (75% of 2.5%) to be their annual indexation cost.

#### **Cost of Pension Indexation for 2009-10 and 2010-11**

Pension indexation takes place on July 1, and is based on the change in the national *total CPI* (not *core CPI*) from the beginning of the preceding calendar year to the end of that calendar year.

The 2008 total CPI increase was 1.2%. Therefore, on July 1, 2009 all retirees received an automatic increase of 0.9% (75% of 1.2%) in their pensions but not the missing 0.3%, unless they are awarded it in these negotiations.

The 2009 total CPI increase was 1.3%. Therefore, on July 1, 2010 all retirees will receive an automatic increase of 0.975% (75% of 1.3%) in their pensions but not the missing 0.325%, unless they are awarded it in these negotiations.

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<sup>16</sup> This is true up to a total CPI increase of 8%, it is a further 60% above 8% and is capped at a maximum total CPI loss of 4%.

**The pension plan will still realize a net actuarial gain after full augmentation for both years because actual CPI increases for each of the two years were lower than the cost assumed by the plan.**

Since the actual inflation rate was substantially lower than the projected inflation rate, the cost of 100% indexation for July 1, 2009 and for July 1, 2010 is less than the indexation cost projected by the UofT Pension Plans.

The Hewitt Actuarial Report for the University of Toronto Pension Plan as at July 1, 2009, has the following statement in its “Experience” section:

“Benefit entitlements for retired and terminated vested participants as of July 1, 2009 increased by 0.9% under the regular indexation formula. The increase was lower than the 1.875% increase anticipated under the actuarial assumptions, resulting in an *actuarial gain of \$14,348,000.*”<sup>17</sup>

That is, the pension plan realized an actuarial credit of over \$14 million due to the low inflation number for the 2008-09 year.

Full pension augmentation, or 100% indexation, costs 0.675% *less* for 2009-10 and 0.575% *less* in 2010-11 than what was anticipated at 75% indexation.

To repeat, even at full augmentation for the two years, the UofT Pension Plans will still realize an actuarial gain.

**The Administration is responsible for the plans’ current notional deficit. UTFA retirees and surviving spouses should not suffer the consequences of the Administration’s failure to manage the pension plans.**

Although UTFA recognizes that the pension plan actuary claims a \$638 million notional going-concern deficit as at July 1, 2009, it is UTFA’s position that the Administration is the author of its own pension deficit situation and that the pensions of retirees and surviving spouses should not be penalized because of the Administration’s failure to act conservatively and prudently.

There are at least three major reasons for the significant deficit in the pension plan today.

First, starting in 1987, the Administration changed the go forward interest rate assumption on four different occasions. The real interest rate assumption used to be 2.25% prior to 1987. After four increases, it is now set at 4.0%. This change reduced the projected future liability of the UofT Pension Plans by a huge amount. Taking advantage of temporary and favourable market returns, it thus created a notional surplus that otherwise would not have been.<sup>18</sup>

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<sup>17</sup> See page 21 of the Hewitt Actuarial Report as at July 1, 2009 for the UofT Pension Plans.

<sup>18</sup> See Tab 11 (UTFA Information Report #9, Parts 1,2 and 3, “Inconvenient Truths about the UofT Pension Plan”) for a discussion of these issues.

Secondly, the Administration equated the notional surplus in the plan with a real surplus and so used an income tax ruling to give itself 18 years of contribution holidays. As of July 1, 2009, the cumulative value of those contribution holidays was about \$1.0 billion. The growth of the cumulative value of the missing contributions is shown in the following table.<sup>19</sup> It is an updated version of the tables in the report in Tab 11, as it includes the negative market returns for 2008-09 and 2007-08.<sup>20</sup>

<b>Academic Year to July 1</b>	<b>Did the University contribute its share of the annual pension plan service cost?</b>	<b>Cumulative total value of missing \$ contributions (with plan rate of return).</b>
1987	Partial pension contribution	\$ 16 million
1988	No pension contribution	\$ 42 million
1989	No pension contribution	\$ 80 million
1990	No pension contribution	\$ 113 million
1991	No pension contribution	\$ 154 million
1992	Partial pension contribution	\$ 182 million
1993	Partial pension contribution	\$ 232 million
1994	No pension contribution	\$ 279 million
1995	No pension contribution	\$ 358 million
1996	No pension contribution	\$ 438 million
1997	No pension contribution	\$ 569 million
1998	No pension contribution	\$ 687 million
1999	No pension contribution	\$ 733 million
2000	No pension contribution	\$ 895 million
2001	No pension contribution	\$ 883 million
2002	No pension contribution	\$ 898 million
2003	No pension contribution	\$ 938 million
2004	Partial pension contribution	\$ 1,089 million
2005	Extra pension contribution	\$ 1,194 million
2006	Extra pension contribution	\$ 1,258 million
2007	Extra pension contribution	\$ 1,493 million
2008	Extra pension contribution	\$ 1,395 million
2009	Extra pension contribution	\$ 1,003 million

If these funds had been prudently set aside in a reserve account, or if the actuarial assumptions had been kept at the original conservative level, there would be no deficit today. Any claims as to the cost burden of indexing augmentation pales in comparison to the \$1.0 billion that would be there today if the Administration had not diverted pension contributions to other purposes. (The above table includes the -27.6% loss in 2008-09.)

Pensioners should not be penalized for the Administration's contribution holidays. Many pensioners who would benefit from the proposed augmentation never took any

<sup>19</sup> This table updates the information in Tab 11 (UTFA Information Report #9, Parts 1, 2 and 3, "Inconvenient Truths about the UofT Pension Plan").

<sup>20</sup> See Tab 12 ("UofT Pension Plan. Who put in how much \$ and when? With inclusion of time-value of money?") for more information.



contribution holidays when they were active and dutifully made their regular contributions into the UofT Pension Plans.

Thirdly, the pension assets have been poorly managed.<sup>21</sup> In 2008, the plan lost about 30% and had the lowest return of any major pension plan in Canada.<sup>22</sup> Annual investment costs have increased 500% since the University of Toronto Asset Management (UTAM) took over the investment of pension funds in 2000. Investment fees were over \$22 million in 2008.<sup>23</sup> A substantial part of this increase was due to UTAM undertaking an investment program that favoured alternative investments, including hedge funds and fund-of-funds, which added another layer (or two layers) of investment fees. These extra fees were not justified by higher returns.<sup>24</sup> Although UTAM is in the process of reducing its exposure to hedge fund-of-funds, we must acknowledge that if they had not wasted money on those extra fees, there would have been more money to fund the proposed pension improvements.

**Full indexation is of great value to both pensioners and current members.**

Without full indexation, the standard of living of pensioners would gradually decline. Bearing this in mind, full indexation merely preserves the real value of pensions and is not really an augmentation.

Although current members would not immediately see the monetary benefit of full indexation, it is true that the maintenance of full indexation assures current members that the value of their pensions will be preserved when they retire. This point was made by James Pesando, Professor of Economics, and Thomas Wilson, Professor Emeritus of Economics, in a letter to Vivek Goel, Vice-President and Provost (at the time), dated April 20, 2006, where they write:

“To highlight this point, suppose that zero indexing were established and the savings used to [sic] for other purposes. Do you think that this would make the U of T a more attractive place to work for most employees?”

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<sup>21</sup> See Tab 13 (UTFA (George Luste) Report to the President’s Commission on University Investments, Chaired by Hon. H.N.R. ‘Hal’ Jackman) for more information.

<sup>22</sup> See Tab 14 (Elizabeth Church, “UofT to curtail aggressive investing,” February 22, 2010, Globe and Mail).

<sup>23</sup> See Tab 15 (UTFA Memorandum to the Business Board re: UTAM and its Annual Report 2007, April 28, 2008) at page 3.

<sup>24</sup> See Tab 15 (UTFA Memorandum to the Business Board re: UTAM and its Annual Report 2007, April 28, 2008) at page 4.

**In the past, the Administration agreed to augmentation even while there was a notional deficit.**

The Administration agreed to full pension augmentation in the settlement for 2003-04 and 2004-05 even though it took the position that there was a notional deficit as at July 1, 2003.

This shows that augmentation is not contingent on there being a notional surplus in the plan.

**b. Improvements in the Pension Formula for the Lower Deck Salary Portion**

***UTFA Proposal:***

***Lower Deck (to YMPE \$ max) to be raised to 1.75% for all retired and active members for all years of service and the plan to be “harmonized” to the same lower deck level for all plan members. This applies to pensions received under RPP, OISE and SRA.***

Currently the UofT Pension Plans’ provisions provide for a pension benefit of 1.5% of salary up to the CPP maximum salary for each year of service for UTFA members. The contribution rate for this is 4.5%.

In the same plan the administrative staff, unionized administrative staff and unionized staff have a higher pension benefit level of 1.6% (relative to the 1.5% for UTFA members) with a 5.0% contribution rate.

**c. Option to Receive Commuted Value of Pension**

***UTFA Proposal:***

***At the time of retirement, individual faculty and librarians to have the option of receiving a lump-sum payment equal to the commuted value of the individual’s pension. People who opt to receive the lump-sum payment to be eligible for benefits on the same basis as those receiving a monthly pension.***

At present, members must resign from the University in order to receive the commuted value of their pensions. As a result, they lose all of their retiree benefits, including health and dental benefits. This is a significant penalty that UTFA believes is unfair and discriminatory.

Although members who take early retirement may receive the commuted value of their pensions without resigning, they also lose their health and dental benefits.

UTFA's proposal is that all future retirees (early, phased, regular or late) should be given the option of receiving the commuted value of their pension without loss of benefits or other penalty.

**d. Supplemental Retirement Arrangement (SRA) Working Group**

***UTFA Proposal:***

***Working group to review the current SRA and to propose possible changes and/or a new and more equitable, sustainable and affordable Supplemental Retirement Plan.***

In a few years the salary cap of \$150,000 in the University's SRA will be overtaken by the increasing salary cap in the regular UofT Pension Plans and the SRA will then be of no value for future retirees.

UTFA does not think the current SRA model in place at the University is equitable, sustainable or affordable. A recent UTFA report explains why.<sup>25</sup>

Both parties have proposed to form a joint working group to consider alternatives to the SRA. The Administration proposes that the joint working group be limited to considering a defined contribution SRA as an alternative to the current defined benefit SRA. UTFA's proposal gives the working group a broader mandate to consider any and all alternatives rather than restricting the working group to consideration of a defined contribution SRA. It may well be that a defined contribution SRA, like the one at the University of British Columbia, may be the most practical.

UTFA submits that a broader mandate is preferable because the joint working group, having the specific task of considering alternatives to the SRA, will be in a better position than the respective bargaining teams to identify the most appropriate alternatives to the SRA.

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<sup>25</sup> See Tab 16 (UTFA Information Report #12, "SRA Pension Inequity").

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## Introduction

### **Other Canadian universities offer better benefits packages than at the University.**

We have compared our benefits package to the benefits provided for faculty and librarians at our peer Canadian universities and have found that almost all areas of our benefits package are inferior. As comparators we have used the G13 (Canadian research-intensive) universities as preferred by the Administration in the past, but without Laval University and Montreal University because data was unavailable. We have also added York University and Ryerson University because they are also in the Greater Toronto Area (GTA). Thus, our G11 + GTA list includes 12 comparator universities and the University itself.

Most of our comparator institutions pay 100% of the insurance premiums for Extended Health Care (EHC), Dental Care and Hospital Accommodation. Here, at the University, UTFA members must contribute 25% of the EHC and Hospital Accommodation premiums and 20% of the Dental Care premium.

Not only do we pay more than our peers, the health coverage that we get is inferior. For example, major restorative dental services at the University is limited to \$2500 per year while five of our peer universities (Alberta, Calgary, Ryerson, UBC and Western) have no limit and York, our GTA peer, has a limit of \$7000 per year.

Our non-health benefits are also behind. Our Professional Expense Reimbursement Allowance (PERA) ranks 10th out of 13. Similarly, our Dependent Scholarship Program lags behind our peers.

This is only a selection. The discussion that follows will show how the University's benefits are inferior in almost all areas.

We consider benefits to be a part of total compensation and that the University's benefits should be "top of the market," to use Chief Justice Winkler's words.

### **Our proposals are modest and are intended to reduce, not eliminate, the gap between the University and its peers.**

Although the University's benefit package should be "top of the market", we have limited our proposals to reducing, rather than eliminating the gap between the University and its peer institutions.

**Some of our proposals are no cost items.**

Moreover, we emphasize that some of our proposals would improve the lives of our members without the Administration having to incur any costs. These proposals are identified below.

**All of our benefits proposals apply equally to retired and active members.**

Our position is, and has been, that retirees should receive the same benefits as active faculty and librarians. Accordingly, all of our proposals, where applicable, apply equally to active and retired faculty and librarians.

**1. Health, Dental and Disability Benefits**

**a. Insurance Premiums**

***UTFA Proposal:***

***Employer to pay 100% of Extended Health Care, Semi-Private Hospital Accommodation, Vision Care and Dental Care premiums for individual and family coverage.***

Currently, the University pays only 75% of the premiums for EHC, Semi-Private Hospital Accommodation and Vision Care, and only 80% of the premiums for Dental Care, for individual and family coverage. In contrast, at eight of our comparator institutions, the employer pays 100% of these premiums.<sup>26</sup> The table below shows that the University has fallen behind most its competitors, ranking 10th (or 4<sup>th</sup> worst) out of 13 universities.

If 100% of the premiums are paid by the Administration, the total cost of these benefits to the parties would actually be less because they would no longer be paid from after-tax earnings.

Employers Share of Insurance Premiums for Full-Time Faculty and Librarians

Rank		Extended	Hospital	Dental		Health Care
		Health	Care	Basic	Major	Spending Account
1	Alberta	100	100	100	100	500/yr
2	Ryerson	100	100	100	100	
3	Ottawa	100	0	100	0	244/yr
4	Calgary	100	100	100	100	
5	York	100	100	100	100	
6	McMaster	100	100	100	100	
7	Waterloo	100	100	100	100	
8	UBC	100	100	100	70	
9	Western	85	85	85	85	\$225/yr
10	<u>Toronto</u>	75	75	80	80	
11	Queen's	70	0	100	100	
12	Dalhousie	60	60	50	50	
13	McGill	50	50	50	50	

<sup>26</sup> Although the employer at the University of Ottawa does not pay the premium for hospital and major dental care, it sets up health care spending accounts which are sufficient to cover those premiums.



**b. Carry-Forward of Coverage Maximums**

***UTFA Proposal:***

***Allow a three year carry-forward of unused annual coverage maximums on Major Restorative Dental services, Professional Services and Clinical Psychology and a six year carry-forward of unused biannual coverage maximums.***

Coverage maximums currently expire annually for Major Restorative Dental services, Professional Services and Clinical Psychology, and biannually for Vision Care.

The carry-forward is a matter of fairness for users who use these services only when an unexpected need arises. As compared to users who use these services regularly, these users create the least burden on our insurance plans. It is unfair because when these users need these services, the coverage is often insufficient. As an example, the \$500 cap on professional services can be quickly maxed out in post-accident physiotherapy, leaving no money for other necessary, complementary treatments such as massage therapy or chiropractic care.

The carry-forward would allow these users to realize the true purpose of insurance coverage, which is to take care of expected financial burdens.

**c. Prescription Drug Coverage**

***UTFA Proposal:***

***Re-instatement of prescription drug coverage to all prescription drugs approved for use in Canada with the exception of over-the-counter drugs other than injectable vitamins. UTFA to be notified within ten business days when drugs come on and off the formulary.***

Prior to 1998, the Administration published plan booklets and other materials stating that “all prescription drugs” are covered under the plan.<sup>27</sup> UTFA members relied on these documents as an accurate description of their health benefits. No other documents were provided to UTFA or UTFA members. Sometime after 1998, “all prescription drugs” was quietly changed to “most prescription drugs”.<sup>28</sup> UTFA did not negotiate or consent to this change.

The Administration violated the terms of the MOA by unilaterally reducing coverage under a benefit plan. Coverage under the drug plan is a benefit and falls squarely within the scope of Article 6 (Salary and Benefits) of the MOA.

The Administration’s past actions prove that they knew that drug coverage was a matter that should be negotiated. In 1997, the Administration and UTFA negotiated to exclude over-the-counter drugs (except for injectable vitamins) from the plan. And, in 2002, the Administration proposed to officially change prescription drug coverage from “all” to “most” prescription drugs. UTFA never agreed to that proposal and, in the end, Arbitrator Teplitsky dismissed the matter without awarding the Administration’s proposal.

Nevertheless, after receiving complaints from members about drug claims being rejected, UTFA suspects that the Administration unilaterally reduced drug coverage from “all” prescription drugs to something lesser.

For example, we recently discovered that Viagra and other erectile dysfunction agents are excluded from the plan.<sup>29</sup> Viagra was discussed at joint meetings between the Administration and UTFA in 1998 when Viagra was first being introduced in Canada. The Administration did not want to cover it then because of the potential cost. However, according to UTFA’s files, the Administration finally agreed to cover Viagra.<sup>30</sup> Unbeknownst to us, at some point between 1998 and 2009, the Administration unilaterally excluded those drugs from the plan.

<sup>27</sup> See Tab 17 (Synopsis of Benefit Plans, January 1998).

<sup>28</sup> See Tab 18 (Synopsis of Benefit Plans, June 2002).

<sup>29</sup> See Tab 19 (Excerpt from the Green Shield Drug Formulary).

<sup>30</sup> See Tab 20 (UTFA Newsletter, Annual General Meeting 2000).

UTFA seeks to re-instate prescription drug coverage to what it was in 1997 after the last negotiated changes were made to the plan. Coverage should include “all prescription drugs” except for over-the-counter drugs (unless they are injectable vitamins). We also seek to be informed within ten business days whenever drugs are put on or taken off the formulary.

**d. Clinical Psychologist**

***UTFA Proposal:***

***The yearly maximum for clinical psychology to be increased to \$2500.***

Clinical psychology is now capped at \$2000 per year. The two other GTA universities have higher yearly maximums: York's is \$10,000 and Ryerson's is \$3,500.

There is a growing need for mental health support in Canada generally and at the University specifically. The University's "HR & Equity Annual Report 2008" cites an "increase in concerns related to mental health and stress" and reports higher utilization rates of the Employee and Family Assistance Program over the past few years. There has also been an increase in long-term disability claims related to mental health. Although the University has made efforts to support employees by improving mental health awareness, more mental health benefits are needed.

We are concerned that caps, especially low caps, on clinical psychology discourage treatment beyond the number of covered sessions. Using the hourly rate of \$205 recommended by the Ontario Psychological Association, \$2000 provides for less than 10 sessions.

Although the needs of a few UTFA members have been met by ad hoc increases to the cap, we are concerned about members who do not ask for additional coverage. Not only may these members be less equipped than most to advocate for themselves, they may also be reluctant to request an adjustment because of the stigma surrounding mental health care. A better solution would be to increase the cap for all members.

Coverage for Psychology and Related Services

Rank		Details of Coverage
1	York	100% up to \$10000/yr
2	Ryerson	100% up to \$3500/yr
3	Toronto	100% up to \$2000/yr
4	UBC	100% up to \$1200/yr
5	McGill	80% up to \$1000/yr and \$15/visit for psychoanalysis
6	Ottawa	\$50/visit up to \$1000/yr
7	Calgary	80% up to \$800/yr
8	Dalhousie	80% up to \$625/yr (for psychotheray and paramedical)
9	Waterloo	100% up to \$585/yr
10	Western	\$6/\$18/\$30/hr for group/family/individual therapy, \$15/visit for all others
11	McMaster	\$20/visit up to \$300/yr
12	Alberta	0
	Queen's	0

e. **Vision Care**

***UTFA Proposal:***

***The yearly maximum for vision care to be increased to \$500 every 24 months.***

The current maximum is \$250 every 24 months.

We are seeking to increase the current limit to cover one eye exam and one pair of prescription eyeglasses every 24 months. The Ontario Association of Optometrists' recommended fee for an eye exam is between \$85 and \$125. A pair of prescription eyeglasses varies but could exceed \$400.

Ryerson has a limit of \$800 plus one eye exam every 24 months and York has a limit of \$550 every 24 months. UTFA currently ranks 6th behind Ryerson, York, Alberta, Western and Queen's.

Vision care is particularly important to our members given the demographics of our membership. Almost 50% of the tenure stream is 50 years of age and above (920 out of 1884).<sup>31</sup>

Vision Care

Rank		Total Amount/2 yrs	Details of Coverage
1	<b>Ryerson</b>	\$800+exam	\$800/2yrs for eyewear, 1 exam/2 yrs
2	<b>York</b>	\$550	\$550/2 yrs
3	<b>Alberta</b>	\$350+exam	\$350/2yrs for eyewear, 1 exam/2yrs
4	<b>Western</b>	\$325	\$25/exam, \$300/2 yrs for eyewear
5	<b>Queen's</b>	\$265	\$65/2 yrs for exam, \$200/2 yrs for eyewear
6	<b>McMaster</b>	\$250	\$250/2 yrs
	<b>Toronto</b>	\$250	\$250/2 yrs
	<b>UBC</b>	\$250	\$250/2 yrs
7	<b>Calgary</b>	\$190	\$150/yrs for eyewear, \$40/2 yrs for exam
8	<b>Dalhousie</b>	\$125	80% up to \$125/2 yrs
9	<b>McGill</b>	\$70	\$70/2yrs for exam
10	<b>Ottawa</b>	\$0	0
	<b>Waterloo</b>	\$0	0

<sup>31</sup> Data from the UofT Human Resources for the academic year 2008-09.

**f. Professional Services**

***UTFA Proposal:***

***Annual cap on massage therapy, physiotherapy and chiropractic care to be increased to \$750.***

The University's plan currently covers massage therapy, physiotherapy and chiropractic care up to a combined maximum of \$500 per year. UTFA is proposing an increase of \$250 per year that would still leave us behind our comparator institutions.

Plans at other universities such as Waterloo, York, Ottawa and Calgary have a maximum for *each* type of practitioner (or group of practitioners) rather than a combined maximum. Moreover, all of the other plans cover more types of practitioners than our plan. For example, some of them cover osteopathy, acupuncture, podiatry, naturopathy, homeopathy, dieticians and Christian Science practitioners.

Although it is difficult to precisely compare the plans because their terms vary so much, the table below clearly shows that the University's is far behind. Our members have found that \$500 is often insufficient to complete any course of treatment such as physiotherapy.

Coverage for Professional Services

No Co-Pay	Estimated Amount of Max Coverage	Details of Coverage
<b>Ryerson Waterloo</b>	no dollar limit	20 treatments/practitioner/yr for <u>each</u> of CHI/MAS/NAT/OST/POD
<b>York</b>	\$4,680	\$585/yr for <u>each</u> of CHI/MAS/NAT/OST/DIE/PHY(OCC)/POD/SPE
<b>Ottawa</b>	\$4000+	\$500/yr for <u>each</u> of CHI/MAS/NAT/OST/POS, \$1500/yr for SPE, unlimited PHY
<b>Calgary</b>	\$2,100	\$300/yr for <u>each</u> of CHI/NAT/OST/POD/MAS/SPE/PHY
<b>McGill</b>	\$1600+	\$200/practitioner/yr for <u>each</u> of NAT/SPE/OST/POD/CHR, \$20/visit up to \$600/yr combined total for PHY/CHI/MAS
<b>UBC</b>	\$1,350	\$600/yr combined total for CHI/OST/POD/NAT/MAS/ACU/DIE, \$750/yr combined total for PHY/OCC/ATH, \$300/yr for SPE
<b>Toronto</b>	\$1,350	\$600/yr combined total for SPE/ACU/CHI/NAT/HOM/POD, \$750/yr combined total for PHY/MAS
	\$500+	\$500/yr combined total for MAS/CHI/PHY, unlimited for SPE
<b>Co-Pay</b>	<b>Coverage</b>	
<b>Dalhousie</b>	80%	80% up to \$625/yr combined total for CHI/PHY/POD/OST and psychotherapy
<b>Queen's</b>	50%	50% up to \$300/practitioner/yr for <u>each</u> of CHI/POD/OST/NAT, \$1000/yr for SPE, \$20-55/visit for PHY
<b>Alberta</b>	\$60-\$75	\$60/visit up to \$600/yr for ACU, \$75/visit for CHI, \$75/visit up to \$300/6 months for <u>each</u> of MAS/PHY
<b>McMaster</b>	\$20	\$20/visit up to \$300/practitioner/yr for <u>each</u> of PHY/MAS/OST/CHI/POD/NAT/CHR, \$200/yr for SPE
<b>Western</b>	\$15	\$15/visit

ACU=acupuncture, CHI=chiropractor, CHR=Christian Science, DIE=dietitian, HOM=homeopath, MAS=massage, NAT=naturopath, OST=osteopath, PHY=physiotherapist, POD=podiatrist and/or chiropodist, SPE=speech therapist

**g. Major Restorative Dental Care**

***UTFA Proposal:***

***The yearly maximum for Major Restorative Dental care to be increased to \$3,500 per person.***

The Dental Care plan for Major Restorative Services currently reimburses members at 80% up to a yearly maximum of \$2500. This cap has been the same since 2002. Since that time, costs have increased. To enable members to enjoy the same benefit in today's market, the cap needs to be higher.

Five of our comparator institutions do not have a cap on major dental services. And although York has a cap, it is set at \$7000 per year.

According to the Ontario Dental Association (ODA), most people do not use up their annual maximums for major restorative services. Bearing in mind the infrequent usage of this benefit, the cost of this proposal should be small.

Major Dental Care

	Coverage (%)	Max \$/year
Calgary	80	no limit
Western	80	no limit
Alberta	75	no limit
UBC	70	no limit
Ryerson	65	no limit
York	85	7000
Queen's	75	3000
<u>Toronto</u>	80	2500
McGill	70	2500
McMaster	70	2500
Waterloo	50	2904
Ottawa	50	1500
Dalhousie	50	1000



**h. Pre-1981 Retiree Benefits**

***UTFA Proposal:***

***Benefits available to people who retired during and after 1981 to be available to those who retired before 1981.***

Pre-1981 retirees are being treated as second class citizens because they are deprived of the same benefits as those who retired later. UTFA submits that as a matter of equity and on humanitarian grounds, the University should now grant pre-1981 retirees and their surviving spouses the same benefits as those who retired in 1981 or later.

Pre-1981 retirees did not have any benefits until 2004. In 2004, the Administration agreed to set up Health Care Spending Accounts worth \$1000 per year for pre-1981 pensioners who are single and survivors of pre-1981 pensioners, and \$1500 per year for pre-1981 pensioners with spouses.

According to data from the Administration, there were only 199 pre-1981 pensioners and spouses as at October 2008. These people are extremely elderly, and their numbers will continue to diminish.

Their utilization of the Health Care Expense Accounts has been small. During the 12 month period from November 2007 to October 2008, only \$70,001.89 worth of claims was processed.

Although this is not a high cost proposal, it would make a significant difference to these few individuals.

**i. Long-Term Disability**

***UTFA Proposal:***

***Long Term Disability plan to be modified to enable benefit recipients to return to work on a part-time basis for indefinite periods.***

The University's Long Term Disability (LTD) plan seeks to rehabilitate people fully so that they can return to work full-time and resume all their duties. However, in some instances, only partial recovery occurs. Under the current policy, partially rehabilitated individuals are not allowed to return to work and must remain on LTD indefinitely.

We believe that the LTD policy should be modified to permit partially rehabilitated individuals to return to work on a part-time basis and receive both a pro-rated salary and a pro-rated disability benefit as a permanent arrangement (and not as part of a return to full-time work program). A partially rehabilitated individual would be able to return to work part-time or resume some, but not all, of his or her duties.

Because the University self-insures, the Administration can easily change the policy to accommodate partially rehabilitated individuals. Furthermore, it should be in the Administration's financial interest for these individuals to work part-time and collect a pro-rated (i.e. reduced) LTD benefit.

The proposed change is more consistent with the Administration's and UTFA's duty to accommodate disabled workers than the current all-or-nothing return to work arrangement. UTFA's position is that partially rehabilitated individuals should be encouraged to return to work and contribute as productive members of the University community.

**2. Other Benefits**

**a. Professional Expense Reimbursement Allowance (PERA)**

***UTFA Proposal:***

***Reimbursement for job related expenses to be increased to \$1500 per year effective July 1, 2009.***

Currently, PERA at the University is \$1250 per year.

Most of our comparator institutions provide more generous professional development funds. For the current academic year, McMaster provides \$1750, Waterloo provides \$1626, Queen's and Ryerson provide \$1600, Ottawa provides \$1550 and Calgary provides \$1500. The University's PERA ranks 10<sup>th</sup> or 4th worst among its peers. Our proposal is modest and would put us only at 6<sup>th</sup> place.

This benefit is fundamental to our members in carrying out their duties and maintaining the high standard of scholarship and teaching at the University. PERA provides funds that might not be otherwise available in departments for our members to attend out-of-town conferences, to buy journals and books, and to cover other work-related expenses that are necessary for them to maintain the excellent standard of their work. In some cases, PERA covers costs for which faculty are not allowed to use their grants.

Professional Expense Reimbursement Allowance

Rank		2008/2009	2009/2010
1	McMaster	1700	1750
2	Waterloo	1589	1626
3	Queen's	1575	1600
4	Ryerson	1500	1600
5	Ottawa	1500	1550
6	Calgary	1500	1500
7	York	1450	1450
8	Alberta	1400	1400
9	Western	1300	1300
10	<u>Toronto</u>	1250	
11	UBC	500	500
	McGill	500	500
12	Dalhousie	319	329

***UTFA Proposal:***

***Reimbursement for job-related expenses to be increased to \$3000 per year for all pre-tenure and teaching stream faculty, and all librarians.***

UTFA is proposing a higher PERA for certain groups of faculty and librarians who need more support for their research, creative professional activity and other scholarly work.

Pre-tenure faculty are under enormous pressure to achieve success in their research and creative professional activity within the first few years of their appointments. The consequences of failing to make tenure are devastating. This pressure is exacerbated by the fact that they often have less access to outside funding compared to more established faculty. Extra funding during this crucial time would be of great assistance.

Teaching stream faculty and librarians are required to do scholarly work but often have more difficulty getting outside funding because their appointments are less research intensive. Like tenure stream faculty, they do research, publish papers and present at conferences. And, like tenure stream faculty, they are evaluated on their scholarly work for promotion and merit increases. However, unlike tenure stream faculty, the nature of their appointments makes it harder for them to obtain research grants.

***UTFA Proposal:***

***All retired faculty represented by UTFA to receive 40% of PERA per full course equivalent up to a maximum of 100% of PERA.***

Under the existing policy, retired faculty who teach on stipend receive no PERA. These members who teach on a stipend basis after retirement are not reimbursed for work-related expenses. For example, they pay out of their own pockets to photocopy hand-outs for their classes. They have no funds for academic books and journals that are necessary to remain up-to-date in their disciplines.

For the same reasons why active members are entitled to PERA and why CUPE sessionals are entitled to the equivalent, retired members teaching on stipend should also be entitled to PERA.<sup>32</sup>

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<sup>32</sup> CUPE 3902, Unit 3 sessional faculty have access to funds provided by the Administration for academic and professional expenses. The funds equal \$50,000 for 2009-10, \$75,000 for 2010-11, and \$100,000 for 2011-12.

**b. Child Care Benefit**

The University's Policy on Child Care Programs recognizes the importance of high-quality and accessible child care programs on campus to the creation of an environment in which faculty and librarians can fulfill their potential. It also recognizes that child care is critical to the recruitment and retention of the best academic staff to maintain the University's standard of excellence. Child care is also crucial to enabling people with children to fully participate in university life.

***UTFA Proposal:***

***Maximum child care amount to be increased to \$5000 per child per year.  
Daily caps to be removed and reimbursement to be increased to 100%.  
Maximum age of eligible child to be increased to 9 years.***

This is a no cost item because the benefit has an overall cap of \$1 million.

The child care benefit began on January 1, 2008 and provides a maximum benefit of \$2000 per child per year. In addition, there is a daily cap of \$20 and a half day cap of \$10. Expenses are reimbursed at 50%.<sup>33</sup>

Data shows that the benefit was underutilized in 2008. Approximately \$350,000 was not paid out. Out of the \$1 million fund, only \$663,042 was paid out for 395 children. At the same time, \$3,657,537 worth of claims was submitted for those 395 children. This means that many claims were partially rejected.

The annual and daily caps, the 50% reimbursement rate and the age limit might have prevented our members from fully utilizing the child care benefit. We propose removing these barriers.

***UTFA Proposal:***

***Simplify claim submission process by replacing existing application form with invoices that would be acceptable to the Canada Revenue Agency.***

The current application form is unnecessarily detailed and time consuming. It requires members to list their child care fees as a daily rate and to have the form signed by the director of their child care centre. This is tedious for child care centres that do not record fees as a daily rate. Child care centres that charge a monthly rate have to come up with a daily rate, accounting for each day the child was absent and each professional

<sup>33</sup> See Tab 21 (University of Toronto Child Care Benefit Plan).

development day. If we eliminate the daily cap on the child care benefit, daily rates will no longer be required.

Instead of the Administration's existing form, we propose that members submit the invoices that child care centres already provide for tax purposes. These invoices include the name of the child, the total amount spent at the centre and the period during which the charges were incurred. This information is sufficient for claiming the child care expense deduction and should be sufficient for the child care benefit at the University.<sup>34</sup>

UTFA believes that this proposal will also streamline the process for the Administration.

***UTFA Proposal:***

***Increase overall cap to \$1.5 million per year.***

Last year, over \$3.5 million worth of claims was filed.<sup>35</sup> The need far exceeds the existing overall cap.

***UTFA Proposal:***

***In the event that two members are part of the same household, both members shall be entitled to the full child care benefit for each child.***

The child care benefit is currently worded so that if two members share a child, they are each entitled to only \$1000 for that child because the policy imposes a maximum benefit of \$2000 per child instead \$2000 per member per child.

There is no reason why parents who both work at the University should each be entitled to half the benefit they would have been entitled to if their partner did not work at the University. Child care responsibilities do not decrease for individual parents because their partners work at the same institution.

Benefits form a part of total compensation and should not be reduced in an arbitrary manner. The fact that this benefit is pro-rated for part-time members and for members who have worked less than the full calendar year underscores the point that the benefit is a form of compensation. Those who work less get less benefit. There should be no reduction for irrelevant reasons, such as because both parents work at the University.

Our proposal corrects this arbitrary distinction and equalizes the benefit for our members.

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<sup>34</sup> See Tab 22 (Form T778 Child Care Expenses Deduction for 2008).

<sup>35</sup> See Tab 23 (Faculty and Librarian Childcare Reimbursement (2008)).

***UTFA Proposal:***

***Number of child care spaces at the UofT to be increased.***

The University's Policy on Child Care Programs recognizes the importance of high-quality and accessible child care programs on campus to the creation of an environment in which faculty and librarians can fulfill their potential. It also recognizes that child care is critical to the recruitment and retention of the best academic staff to maintain the University's standard of excellence.

There are now only 229 child care spaces at the St. George campus for all faculty, staff and students. Only a small minority of these spaces were given to faculty. When we compare this to the 395 faculty children for whom the child care benefit was paid, we can see that a huge number of these children could not be accommodated on campus. Waitlists of over one year highlight the demand for these spaces. The inadequate number of child care spaces undermines the University's institutional goals.

UTFA's proposal is for the University to commit to a plan to increase the number of child care spaces at the St. George campus.

**c. Adoption Leave**

Agreed in principle.

The Administration proposed and the parties have agreed to harmonize leave benefits for adoptive parents with leave benefits for biological parents, provided that the Administration shall not be required to make up for any deficiency caused by differential treatment under the Employment Benefit program.

UTFA has reviewed and commented on language tabled by the Administration.<sup>36</sup> The remaining issue is that the Administration has not yet accepted UTFA's proposal that *unpaid* leave for adoptive parents should be the same as that for biological parents.

Although unpaid leave can always be requested, adoptive parents should be *entitled* to unpaid leave just like biological parents. If leave benefits are to be truly harmonized, adoptive parents must not be required to ask for unpaid leave. They may not know they can get additional unpaid leave, and, moreover, chairs may deny them the leave.

Moreover, unpaid leave is a no cost item.

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<sup>36</sup> See Tab 24 (UTFA Comments on Adoption Leave language tabled by the Administration on January 15, 2010).



**d. Dependent Scholarship Program**

***UTFA Proposal:***

***Dependent Scholarships to be increased to 100% of the amount of academic fees for five full courses in a general program in Arts and Science.***

Our tuition benefit is only worth 50% of the University's tuition fees and ranks 2nd last.

At Ottawa, UBC, Ryerson and York, the benefit is equal to 100% of their respective full-time undergraduate tuition fees. At Calgary, McGill and McMaster, the benefit is between 67% and 70% of their tuition fees.

Other employee groups at the University enjoy a 100% tuition benefit for dependents who attend the University. These groups include USW 1998 (administrative and technical appointed staff), CAW Local 2003 (operating engineers), IBEW Local 353 (electricians), CUPE 2484 (child care workers), Carpenters and Allied Workers Local 27 and UNITE HERE Local 74 (89 Chestnut St. hospitality workers).

We note that the expected cost of this benefit is likely to decline based on the decrease in the number of recipients in the past few years from 441 in 2004-05 to 324 in 2008-09.

Our proposal would put the University at the "top of the market" where it should be.

Tuition Benefit for Dependents

Rank		Value as % of Full-Time Undergraduate Tuition Fee
1	Ottawa	100%
	UBC	100%
	Ryerson	100%
	York	100%
2	Calgary	70%
	McGill	67%
3	McMaster	~67% (\$3750)
	Dalhousie	50%
	Queen's	~ 50% (\$3000)
4	Western	~ 50% (\$2800)
	Toronto	50%
	Waterloo	50%
5	Alberta	0

***UTFA Proposal:***

***Eliminate the 80% average requirement for Dependent Scholarships.***

The 80% average required for Dependent Scholarships was instituted by agreement of UTFA and the Administration in order to make the tuition benefit non-taxable for faculty and librarians. By requiring scholarship recipients to have an 80% average, we re-characterized the tuition benefit as a scholarship.

The Canada Revenue Agency has changed its policy. Effective 2007, tuition benefits are considered income to the dependent, and not the employee, regardless of the requirements for getting the benefit.<sup>37</sup> Thus, it is no longer necessary to disqualify dependents with an average lower than 80%.

The Dependent Scholarship Program was originally intended to be a benefit and should resume that purpose.

Given that the University's admission requirements are usually greater than 80%, this proposal is unlikely to be a high cost item.

***UTFA Proposal:***

***Add Transitional Year Program to list of eligible programs.***

The Transitional Year Program (TYP) is designed for adults who do not have the formal educational requirements to qualify for university admission because of disadvantaged circumstances such as financial problems or family difficulties. Students who pass their TYP courses with a 65% average are eligible for admission to the University.

As a matter equity and support for students from disadvantaged backgrounds, the TYP should be included in the list of eligible programs. The tuition benefit for other employee groups at the University includes the TYP. These groups include the USW 1998 (administrative and technical appointed staff) and UNITE HERE Local 74 (89 Chestnut St. hospitality workers).

This should be a low cost item because the demographics of our membership generally preclude their dependents from qualifying for the TYP. However, where this may not be the case, these students should not be excluded from support through this benefit.

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<sup>37</sup> See Tab 25 (Canada Revenue Agency, Taxable Benefits News: Universities and Public Colleges).

***UTFA Proposal:***

***In the event that a dependent child is eligible for the Dependent Scholarship Program through both parents, the dependent child shall be entitled to a double scholarship.***

Where two individuals who share a child both work at the University, they should each be entitled to their full benefits. They should not be penalized, nor should their benefits be reduced, because they both work for the same employer.

Currently, a dependent child who is eligible for the benefit through both parents is only eligible for a 50% scholarship like everyone else. Effectively, this means that each parent's benefit is worth only 25% of the tuition fees at the University.

UTFA's proposal enables all UTFA members to realize the full value of the tuition benefit. No faculty or librarian member's benefits or entitlements should be reduced in any manner because their spouse is also an employee of the University.

UTFA's proposal is not exceptional. Dalhousie's tuition benefit for dependents is normally 50% of its tuition fee, but the collective agreement specifies that where both parents are members, the benefit shall be 100% of its tuition fee.

e. **Research and Study Leave**

***UTFA Proposal:***

***Pay during Research and Study Leave to be increased to 90% of salary.***

As a research-oriented university and one that strives to be a leader among Canadian universities, the University should have the best research and study leave policy in Canada.

Not only is scholarship central to the University's institutional goals, it is also critical to our members because tenure, promotion and merit increases are heavily dependent on scholarly achievements.

Five of our comparators have better sabbatical policies. McGill pays 100% of salary during sabbaticals and McMaster pays 90% of salary.

Our proposal would put the University in second place behind McGill, but on par with McMaster.

Pay during Research and Study Leave

	Duration of Leave		Special Provision for 1st Leave
	1 year	6 months	
1 McGill	100%		
2 McMaster	90%	100%	100%
3 Dalhousie	85%		
Queen's	85%	100%	100%
Waterloo	85%	100%	
4 Toronto	82.5%	100%	
Western	82.5%		87.5%
Ryerson	82.5%		100%
Alberta	82.5%		
5 York	80%	100%	100%
Calgary	80%	100%	
6 UBC	80%	90%	
7 Ottawa	75%		

**f. Parking Subsidy and Transit Passes**

***UTFA Proposal:***

***Parking subsidies or transit passes for faculty teaching in the evenings.***

Faculty who teach in the evenings are disadvantaged because they are likely to incur extra transportation costs. For reasons of safety, faculty teaching in the evenings do not have the option of walking or bicycling as do faculty teaching during the regular working hours.

We are proposing to remove this financial disadvantage by providing parking subsidies and transit passes for these faculty members.

**g. Transportation Subsidy for Faculty Cross-Appointed to Multiple Campuses**

***UTFA Proposal:***

***Each faculty member cross-appointed to multiple campuses shall receive a \$600 per annum subsidy for transportation expenses.***

Faculty cross-appointed to multiple campuses have been paying out-of-pocket to travel between campuses. Most faculty appointed to UTM and UTSC are part of this group because they are cross-appointed to the graduate school, which is classified as part of the St. George campus. While other faculty only have to pay to get to work, these cross-appointed faculty must also pay to travel between campuses while at work. In effect, the take-home salary of these faculty members is lower compared to faculty appointed to only one campus. This is inequitable. Moreover, it is a work-related expense that should be absorbed by the employer.

The Letter of Understanding dated June 20, 2003 (Tri-campus Agreement) between the Administration and UTFA requires the Administration to monitor and rectify workload discrepancies between the campuses.<sup>38</sup> UTFA submits that the failure to provide reasonable, complimentary transportation between the east and west campuses and the St. George campus increases the workload of faculty members at the east and west campuses who are also appointed to the St. George campus and results in an ongoing discrepancy that requires rectification.

Since reasonable, complimentary transportation is not being provided, our proposal partly addresses the inequity by mitigating the financial burden suffered by these faculty.

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<sup>38</sup> See Tab 26 (Letter of Understanding dated June 23, 2003 between the Administration and UTFA).

### **3. No Cost Proposals**

#### **a. Maintenance of Benefit Levels**

***UTFA Proposal:***

***Confirmation that the terms and levels of all benefits shall be maintained by the Administration except to the extent they are modified by agreement.***

This language makes explicit what should already be the case.

Pursuant to Article 6 (Salary and Benefits) of the MOA, UTFA collectively bargains salaries, benefits and pensions on behalf of UTFA members. Once benefit levels are determined under the procedures set forth in Article 6, they cannot be unilaterally modified by any party.

This should be obvious but because of past difficulties with the Administration unilaterally decreasing benefit levels, UTFA is seeking an explicit commitment from the Administration that it will maintain benefit levels except to the extent they are modified by agreement.

#### **b. Renewal of Green Shield Contract**

***UTFA Proposal:***

***There shall be no renewal of the Green Shield contract, or entering into a new contract with a different company retained by the Administration to administer the University's health plans, in the absence of UTFA's written approval.***

We should have input into the selection of plan administrator because the benefit plans belong to our members.

Benefits, like salary and pensions, form a part of total compensation. All contributions made to the benefit plans are a part of our members' total compensation. However, even though our members pay for the plans, they have no direct relationship with the plan administrator, Green Shield, because the University is self-insured. The direct relationship is between Green Shield and the Administration. In this way, Green Shield is incentivized to keep costs down (e.g. by actively rejecting claims) for its client, the Administration. Green Shield has no incentive to serve our members well because our members have no authority over their selection as plan administrator.

We believe that this arrangement places control in the wrong hands. Our members are Green Shield's real clients and we should have a voice in the administration of our benefit plans.

**c. Disclosure of Information**

This is discussed in Section D (Information Sharing) of this brief.



**d. Librarian Research Days**

***UTFA Proposal:***

***Librarians shall have the right to designate when research days will be taken provided that they give their departments at least one week's advance notice. Research days may be used for research, professional or other academic activities and may be used outside the library. Unused days may be accrued.***

Librarians are being denied their research days. According to the Administration's Mediation Brief (Tab 8), only 17% of librarians (24 out of 140) used their full 10 research days in 2008-09. There is clearly a need for better language securing the right of librarians to use their research days.

This is a problem not only for librarians, but also for the teaching and research goals of the University. Like their faculty peers, librarians must maintain high levels of scholarship and stay current in their fields. They do research, publish papers, edit journals and present at conferences. This is why librarians are entitled to research and study leaves like faculty members. The difference between faculty and librarians is that librarians work throughout the year and are not free to devote their summers to research. Consequently, dedicated research days are essential to maintain their scholarship.

***UTFA Proposal:***

***Research days for librarians to be increased to 20 days per year.***

Librarians are currently entitled to 10 research days per year.

At Queen's, librarians are entitled to 24 research days per year. Even at York, a university that is not considered research-intensive, librarians are entitled to 20 research days per year.<sup>39</sup>

If the University is to remain one of the leading research institutions in Canada, it must support the academic work of its librarians and it should have one of the best policies in the country for librarian research days.

This is a no cost item because librarians are not replaced when they go on leave.

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<sup>39</sup> See Clause 18.16(e) of the Collective Agreement (1 May 2006-30 April 2009) between York University Faculty Association and the York University Board of Governors.

In its Mediation Brief, the Administration fabricated the cost of librarian research days. It assumed that the cost of one research day is equivalent to the average daily salary of librarians at the III and IV level. In fact, there is no cost. The University does not pay for replacement librarians when librarians take research days. If there are actual costs involved, the Administration should explain exactly how they are incurred.

**e. Retirement Procedures**

The parties have agreed to require faculty and librarians to sign an official form when they commit to retire.

This form shall explicitly state that the notice of retirement is irrevocable after a 30 day cooling off period. The cooling off period shall only apply if the retiring faculty or librarian member has complied with the University's 12 months' notice of retirement requirement.

**f. Appeal Procedure for Benefits**

***UTFA Proposal:***

***In addition to existing grievance procedure under the MOA, a formal procedure for appealing rejected benefit claims to be established.***

***The parties should be directed to agree upon an expedited, efficient, binding and independent process of resolving these claims within 60 days, with the assistance of Arbitrator Teplitsky if necessary, who should remain seized to deal with and resolve any dispute.***

Approximately \$4.6 million worth of claims were denied by Green Shield during the one year period between July 2008 and June 2009.

According to the Administration, the number of claims that was ultimately denied was much less. Apparently, Green Shield does not allow the tracking of claims to their final outcome. Thus, a claim that is denied because the pharmacist made a typographical mistake could have been corrected and paid, but would still register as a denial. The fact is that we do not know the actual number of claims that were ultimately denied and we are unable to determine whether there is an adjudication problem.

Our concern stems from the problems our members have reported concerning denied claims and their inability to find out whether the reasons for denial were legitimate. We are worried that denied claims that could be rectified are not rectified because there is no formal appeal procedure for members to follow.

We understand from the Administration that some denied claims have been dealt with on an ad hoc basis. Sometimes members pursue their claims directly with the Administration and sometimes Green Shield alerts the Administration to special cases. Although this ad hoc process has worked for some members in the past, our position is that an appeal

procedure should be available to all members on an equal basis and that claims should be reviewed in a fair and consistent manner.

As we understand it, the Administration has an administrative services only arrangement with Green Shield and self-insures benefits. In this context, there can be no justification for the absence of a direct ability to adjudicate claims denials with the Administration. The parties should be directed to agree upon an expedited, efficient, binding and independent process for resolving these claims within 60 days, with the assistance of Arbitrator Teplitsky if necessary, and Arbitrator Teplitsky should remain seized to deal with and resolve any disputes.

## SECTION C. WORKLOAD

### Introduction

UTFA seeks measures to better manage and reduce excessive workloads of faculty and librarians and to do so in a manner that enhances equity in workloads within the three streams and across the three campuses.

Various indicators point to workload related problems that are threatening the quality of teaching and research at the University and are becoming sources of unacceptable levels of stress for UTFA members seeking an appropriate work/life balance.

A combination of rapid increases in undergraduate and graduate enrolments and eroding financial support for higher education in Ontario has led to a marked escalation in faculty and librarian workloads.<sup>40</sup> This has occurred in a context in which workload at the University has been essentially unregulated.

Workload is an extremely high priority issue for UTFA members. Moreover, it is a complex issue with multiple dimensions and implications, including the ways in which workload influences the quality of teaching and research; the ways in which workload issues are shaped by basic infrastructural conditions for teaching and research (e.g. adequate space and facilities); the adequacy of administrative staff support; equity between members of the tenure, teaching, and librarian streams; the relationship between efforts to manage workload and issues of collegiality, good governance, and transparency; and the relationship between workload (including the manner of workload assignment) and issues of academic freedom and professional autonomy.

The following highlights of faculty and librarian responses to the Administration's 2006 Speaking Up survey of all employees point to workload as one of the most serious areas of concern:

- For the UTFA member respondents, "Teaching Issues" (including course load, class size, support for teaching and other issues) were identified at the top of 49 categories of areas they would like to see changed.
- In second and third place were "Governance and decision-making support structures" and "Workload."
- Many of the issues ranked further down by faculty and librarian responses include matters that condition work or are related to workload. These would include "Research issues," "Tenure & promotion processes," "Less administrative work," "Enhance intellectual environment," "Diversity and equity," "Salaries," "Teaching stream appointments," "Computer support", "Work environment," "Distribution of resources," "Work-life balance," "Hire more faculty," "Better intercampus transportation," and "Teaching evaluations," to name only a few. Many of these issues directly underpin UTFA's proposals listed below.

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<sup>40</sup> See Tab 27 (Excerpts from "Towards 2030") and Tab 28 (Excerpts from "University of Toronto Performance Indicators").

The following highlights from the UTFA Workload Survey 2008 underscore the necessity of establishing procedures to manage proliferating workloads immediately:<sup>41</sup>

***Faculty***

- 80% of faculty respondents reported that the quality of education at the University has been negatively affected by workload issues.
- Roughly 40% of faculty report that teaching loads have grown over the past 2-5 years.
- More than three quarters of faculty respondents reported experiencing “moderate” or a “great deal” of stress meeting their teaching responsibilities.
- About 60% of faculty report that administrative loads have grown over the past 2-5 years.
- More than 60% of faculty experience “moderate” or a “great deal” of stress meeting their administrative responsibilities.
- More than half of faculty have been asked to take on duties for no extra compensation in the past 2-5 years.
- About 40% of faculty are not satisfied with the level of control they have over their workload.
- More than one third of faculty have seriously considered leaving the University due to workload issues.
- More than two thirds of faculty agree that UTFA should have the right to help them manage workload issues through the negotiation process.

***Librarians***

- 44% of librarian respondents reported being dissatisfied with their control over workload.
- 54% reported that their teaching loads had become heavier, while a similar proportion reported that their administrative loads had become heavier.
- One third reported having been pressured to take on additional teaching or professional duties on overload.

The impact of higher workloads on the quality of education at the University is elaborated in a recent letter from a tenure stream member.<sup>42</sup>

UTFA and the Administration exchanged numerous workload proposals during an extended face to face phase of bargaining. We believe substantial progress was made during this phase and that the briefs exchanged in mediation by the two sides show substantial convergence. That said, important differences remain. UTFA’s detailed workload proposal – revised slightly since mediation – may be found on the following page. The Administration’s Proposal may be found in Tab 32.

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<sup>41</sup> See Tab 29 (Descriptive Report on the 2008 UTFA Faculty Workload Survey) and Tab 30 (Report on the 2008 UTFA Faculty Workload Survey).

<sup>42</sup> See Tab 31 (Letter from Katherine Rankin, UTFA Tenure Stream Member).

## UTFA Workload Proposal

[Additions to the proposal since mediation have been underlined.]

### **Preamble:**

All academic workload is a combination of tasks assigned and tasks determined through collegial interaction and self-direction. In this context, while collegial relations and good governance should prevail in the assignment of workload to individuals and communities of individuals in all areas of academic work, it is understood that specific areas of research and other scholarly, creative and/or professional activities are self-directed. Academic units vary in their contributions to the University mission and so it is understood that what constitutes normal workload will vary from one unit to another. At the same time, unit members will experience different demands from year to year in the balancing the domains of workload, and so an individual member's workload may vary from year to year and from a colleague's workload within a year. This flexibility is important for recognizing the unique missions of units and the differences in agreed upon activities of individuals within units. The Administration agrees to continue to use its best efforts to ensure that there is an adequate level of support for members relating to working conditions as well as an equitable distribution of support among members of the same academic division or department (in multi-departmental divisions).

It is to be understood that the general intent of the measures in this article is to reduce excessive workloads and enhance equity and good governance in workload assignment and management. It is not consistent with the spirit of these measures to apply them in a punitive manner or in a manner that reflects intent to increase workload for any specific individual members or groups of individuals.

In this article, "member" is taken to mean individual faculty or librarian unless otherwise specified.

### **1.0 Faculty and Librarian Workload Assignment Principles**

1.1 Workload for faculty (including teaching stream faculty), and librarians shall be assigned in a *fair, reasonable, timely*, and *equitable* manner, to be guided by of *transparency, good governance, comprehensiveness, flexibility, enforceability* and *proportionality*.

*Fair.* In this context, fairness includes the obligation to assign workload in a manner consistent with a climate of professional support and mentorship, with due consideration for the abilities of members, and in a manner that is not punitive or detrimental to individual members or groups of members.

*Reasonable.* Reasonableness in this context includes the obligation to assign workload in a reasonable manner and in light of due consideration of the full range of activities

undertaken by the member, as well as the expectations, capabilities, and aptitudes of that member.

***Equitable.*** Equity in this context includes the obligation to ensure equitable workload assignment, primarily within units, including those units wholly or partially split across more than one campus.

***Transparent.*** Transparency in this context includes the obligation to ensure that decisions with regard to workload assignment are made in a manner that is known to members within a unit, and also, that workload assignments for individual members will be made in explicit relation to workload assignments for other members of the same unit in a manner that allows members to compare aspects of their own workloads to their peers.

***Good Governance.*** In this context, good governance includes an obligation to ensure that the propagation and administration of workload norms and the production of workload related metrics within units shall be subject to meaningful and ongoing input and participation by members of the units; that members have regular opportunities to review and revise workload assignments; and generally that workload assignment respects academic freedom and a reasonable degree of professional autonomy, and is not simply imposed by unit chairs, heads, coordinators, or more senior members of the administration.

***Comprehensive.*** In this context, comprehensiveness includes an obligation to ensure that workload assignment and the enforcement of workload provisions will be based on assessments of all duties and activities by members of a unit that fall reasonably within the scope of activities and expectations appropriate to the member's appointment, including any employer approved participation of the unit's members in programs outside the unit.

***Flexibility.*** Flexibility in this context includes an obligation to ensure that propagation, administration and enforcement of workload norms will reflect the diversity of responsibilities and activities of members as well as meaningful input from those members.

***Enforceability.*** In this context, enforceability includes an obligation to ensure that the standards and processes for determining and monitoring workload metrics and norms can be enforced, and that there is an expedited remedy for individuals or groups who believe that their workload has not been assigned in accordance with the principles and applicable norms.

***Proportionality.*** In this context, proportionality includes an obligation to ensure that workload assignment for individual members will correspond in proportion to the appointments and professional expectations of members. All faculty appointments should feature three explicit and distinct components recognizing research and professional activities, teaching and service. Librarian appointments should similarly feature three



distinct components corresponding to research and professional development, professional activities, and service.

1.2 Workload shall be assigned equitably within each unit, consistent with each member's appointment and including all teaching, research/scholarly/creative/professional activities and service. In the determination and assignment of individual workload, the principle of equal credit for equal work shall apply to all members of the unit.

1.3 Temporary reductions in teaching and service loads for pre-tenure faculty and pre-promotion teaching stream faculty are to be encouraged and facilitated.

1.4 Unit heads will ensure work is organized and distributed to allow all faculty and librarians to take annual vacation.

1.5 The workload norms of a Unit to be determined under section 2 below shall be defined by current practices, as modified by the rules and procedures set out in this workload provision, and as otherwise agreed by the parties.

1.6 The Administration shall use best efforts to provide an infrastructure, including human, material and space (both office and laboratory), to support and enhance teaching and research activities. In fulfilling this responsibility, the Administration will give serious consideration to all reasonable recommendations from Unit Workload Committees respecting such matters.

1.7 The parties recognize that class sizes are a pedagogical concern and are normally determined by collegial decisions.

1.8 The parties hereby reaffirm their commitment to the principle, reflected in the requirements of the Memorandum of Agreement, that faculty will not be required to teach in all three terms, nor shall they be pressured to volunteer to do so.

1.9 The parties reaffirm their commitment to ensuring there are no significant discrepancies in workload among the same departmental/disciplinary areas across the three campuses.

1.10 The parties agree to establish a joint committee, composed of an equal number of representatives appointed by each party, to carry out an examination of the teaching, learning and working conditions for faculty and librarians at UTSC and UTM.

## **2.0 Unit Workload Committees**

2.1 Each unit will establish a unit workload committee to formulate and implement workload norms appropriate to that unit. Unit means Department, Division, School or College, as applicable, or, in the case of Faculties without a Department or School structure, Faculty. In the case of Libraries, the unit shall refer to the individual library.

Libraries with less than 5 librarians will participate in the workload committee of the largest appropriate library.

2.2 The composition of the committee will be established through a collegial process that provides opportunity for all members of the unit to have meaningful and substantive input regarding which members shall serve on the committee. The committee shall be broadly representative of the members in the unit.

2.3 By January 15, 2011, the unit workload committee of each unit will establish workload norms. Thereafter the norms will be reviewed by the committee, and, if necessary, modified, every three years pursuant to the process set out in this section. The committee will establish workload norms for members of the unit, taking into account the workload assignment principles set out in 1.1, workload guidelines set out in section 7 below, and any other workload guidelines established between the Association and the Administration for the tenure stream, the teaching stream or the librarian stream. Any such guidelines will be consistent with the workload assignment principles.

2.4 The unit workload committee will forward the proposed unit workload norms to the Dean or Chief Librarian and to all members of the unit. By February 15, the Dean or Chief Librarian shall accept the proposed workload norms approved by the committee provided that the norms permit the unit to fulfil its academic program obligations. Where approved by the Dean or Chief Librarian of the respective unit, the norms established by the committee under 2.3 shall take effect and will be communicated to all members of the unit and to the Association

2.5 If the Dean or Chief Librarian rejects the proposed unit workload norms, he or she will:

- (a) explain in writing how the proposed norms do not allow the unit to fulfil its academic program obligations; and
- (b) explain in writing what changes to the academic obligations and/or resources of the unit and/or the proposed workload norms would be necessary to allow the unit to fulfil its academic program obligations.

The Dean or Chief Librarian will meet with the unit workload committee to address his or her concerns relevant to whether the proposed workload norms permit the unit to fulfil its academic program obligations, and together with the Committee, will endeavour to come to an agreement on workload norms for the unit. Any agreement reached between the committee and the Dean or Chief Librarian shall be subject to approval by a majority of members of the unit who cast ballots in a vote.

2.6 Until new unit workload norms are established, the previous unit workload norms will continue to apply.

### **3.0 Establishing the Teaching Component of Unit Workload Norms**

3.1 In the course of establishing the unit workload norms under section 2 , the teaching component will typically be expressed in terms of full course equivalents (FCEs) per year. This is intended to comprehensively measure teaching activities and is not to be taken literally as merely the number of full courses taught in one year. The unit workload norms, as they relate to teaching activities, must take into account a comprehensive mix of all teaching related activities. Specifically, the elements below must be considered:

- (a) Class size;
- (b) The expected total number of students in all of a member's courses;
- (c) Course coordination and program direction;
- (d) The mix of course levels (introductory, upper year, graduate, etc.);
- (e) The nature of the course (e.g., team-taught, inclusion of writing intensive or critical skills components, first-year seminars, Foundations courses, etc.);
- (f) Mode of delivery;
- (g) Contact hours, including in-class and outside of formal scheduled class time;
- (h) Advising duties or equivalent;
- (i) Tutorial, lab, or studio direction or equivalent;
- (j) Supervision of tutors, markers/graders or equivalent;
- (k) Availability of markers or laboratory assistants or teaching assistants;
- (l) Marking/grading responsibilities or their equivalent;
- (m) Course preparation, including extraordinary course preparation such as new courses, “short notice”, preparation of courses delivered by alternate modes, and for courses which are cancelled;
- (n) Supervision of seniors’ essays or their equivalent;
- (o) Directed reading courses and independent studies courses or their equivalent;
- (p) Guest lecturing or its equivalent;
- (q) Graduate supervision, including but not limited to supervision of dissertations, theses or equivalent, and including membership on graduate supervision committees in capacities other than primary supervision.

3.2 In establishing unit workload norms, unit workload committees will also take into consideration workload norms in the same and cognate disciplines within the University (including the other campuses).

3.3 Student/faculty ratios have increased substantially in recent years without proportional increases in teaching support (in the form of TAs). Unit Workload Committees shall establish fair and equitable guidelines for TA support levels. Faculty may refuse to teach courses for which adequate TA support is not provided.

#### **4.0 Establishing the Service Component of Unit Workload Norms**

4.1 Each member shall be entitled and expected to accept an equitable share of administrative responsibilities by participation in the work of the University through membership on, for example, Department, Faculty, and University committees. Members are encouraged to participate in the work of learned societies, academic and professional associations, funding agencies and programs, editorial boards, and academic and professional journals, to serve as external readers of theses or dissertations from other universities, and to take an active role in the community.

4.2 The service component of unit workload norms is recognized as including contributions to the governance of the University and collegial academic and administrative activities. Service to the University is an important part of a member's professional obligations and responsibilities.

4.3 Service includes, but is not limited to, the factors listed below:

- (a) participation on Committees created by the Office of the President, the Office of the Provost, and/or by Governing Council;
- (b) participation on Faculty, School, Library or Departmental Councils and their subcommittees;
- (c) participation in UTFA and its committees
- (d) participation in joint UTFA/Administration committees and activities;
- (e) participation in the Colleges and their various committees;
- (f) participation in such units as the Writing Centres and in activities designed to support teaching and learning;
- (g) holding of academic administrative positions;
- (h) participation in unit level academic and administrative committees
- (i) University Advisory Committees, Task Forces and the like;
- (j) service to organizations outside the University which is of an administrative nature, and not part of a member's research program, including serving on review committees for awards, grants, and scholarships; and
- (k) University related development activities.

4.5 Service may include both service of a routine administrative nature, as well as service which contributes to the academic goals and governance of a member's unit and/or faculty, UTFA, and the University as a whole. Consideration of service may distinguish between membership on and leadership of the various activities and committees. The time horizon used in considering service may exceed one (1) academic year.

#### **5.0 Establishing and Assigning Individual Workloads**

5.1 The Dean or Dean's designate, or Chief Librarian or Chief Librarian's designate will, after consultation with the member, assign workload to individuals in accordance with:

- (a) the workload assignment principles set out in section 1;
- (b) the workload norms developed under section 2;
- (c) the recognition and determination of teaching and service components under sections 3 and 4;
- (d) any guidelines applicable to the individual's particular stream, including the guidelines set out in section 7 below; and
- (e) factors relevant to each individual, including the terms of each member's appointment (which includes all teaching, research/scholarly/creative/professional activities and service to university).

5.2 For certainty, in the case of the tenured and teaching stream, the factors in 5.1(e) include the relationship of teaching duties to the member's area of research and teaching expertise, the number of separate courses taught, the level (introductory, upper year, graduate) of each course, the total number of students in the course (or section in multi-section courses), the availability of assistants, the location of the course or field supervision, whether the course is new or requires substantial revision, the nature of the subject and the teaching and evaluation methods including modes of delivery, requirements for supervision of/advising of/additional contact with undergraduate and graduate students, work with graduate students, and any circumstances originating in the individual's research and teaching that warrant special consideration in the establishment of individual workloads.

5.3 In the case of a librarian, the factors in 5.1(e) include courses and/or classes taught, administrative duties, number of liaison and/or selection responsibilities, supervision and training responsibilities, whether an activity is new or requires substantial revision, research and planning required for effective performance of new activities and duties, and any circumstances originating in the individual's research and teaching that warrant special consideration in the establishment of individual workloads.

5.4 Only teaching and service responsibilities may be specifically assigned to a member. While time can be allocated for research and creative and professional activities or pedagogical /professional development in a manner consistent with academic freedom and the workload principles set out in this document, specific areas shall not be assigned.

5.5 Faculty members appointed to more than one unit shall be assigned teaching in a manner consistent with their percentage appointment in each unit. A common meeting involving the member and all chairs, heads, directors, or other senior administrators of the units to which a member is cross-appointed will take place before July 1st of each year, at the written request of the member, in order to discuss workload and professional expectations and to resolve any conflicts in such expectations between units. Any remaining conflicts pertaining to differing unit norms for cross-appointed members shall be resolved subject to existing and negotiated grievance procedures. A written record of the teaching, supervisory and service objectives, and professional expectations, agreed at the meeting will be kept by the unit heads and the faculty member.

5.6 In order to allow adequate time for and continuity of scholarly and professional activities, as well as service and preparation for teaching, a member will not normally be required to engage in teaching involving scheduled contact with students in more than four (4) days per week. A member will not normally be required to teach over a period of time spanning more than eight (8) hours in any one (1) day. A member will not normally be required to teach within eleven (11) hours following the end of his/her scheduled teaching on one (1) day and the beginning of his/her scheduled teaching on the following day. A member shall not normally be required to teach or be physically present on more than one campus of the university in the same day. It is understood that a member may voluntarily agree to teach other than as set out above but that such a decision shall be free of coercion or undue influence.

5.7 Individual workloads will be communicated annually to all unit members in accordance with principles of transparency and timeliness. In order to promote the workload assignment principles, including those of transparency and equity, the unit head shall make available a list of teaching and service duties (including FCEs as applicable) of members in the unit, as they are being formulated for the following academic year, as well as a summary list of final allocations in the fall for that year. A copy of the summary list of final allocations will be provided to the Association.

5.8 After consultation with the member, the member shall be offered an initial workload proposal in writing by April 15. The unit head and the member shall use their best efforts to reach agreement on the workload assignment.

## **6.0 DISPUTE RESOLUTION:**

[UTFA proposes that the parties be directed to meet over a period of 30 days to develop an expeditious, independent, effective and binding process for resolving disputes over individual assignment of workload, with the assistance of Arbitrator Teplitsky if necessary, and that if the parties cannot reach agreement, that Arbitrator Martin Teplitsky remain seized.]

## **7.0 GUIDELINES FOR EACH STREAM**

### **7.1 Guidelines Specifically Applicable to Teaching Stream**

For the Teaching Stream, the following definitions apply:

- (a) Scholarship refers to any combination of discipline-based scholarship (including research), the scholarship of teaching and learning, and creative/professional activities. Teaching stream faculty engaged in any one of these areas are engaged in scholarship.
- (b) Teaching and service load refers to the elements for measuring FCEs as set out above in section 3, and for measuring service as set out in section 4.
- (c) For the teaching stream, workload refers to teaching load, scholarship, and service activities.

For the Teaching Stream, the following additional principles will apply:

- (i) The teaching component of the workload of a teaching stream faculty member, when all teaching-related activities are counted, should not exceed the total of 50% more than the than the teaching component of the unit workload norm for his/her tenure stream colleagues.
- (ii) PTR evaluations for the teaching stream must consider the three components of their appointments: scholarship, teaching and service, as described above in (a), (b) and (c).
- (iii) Workload expectations will not be arbitrarily increased or altered.
- (iv) The appointment letter of a new hire should reflect loads that are equitable with those established in the teaching stream in the unit. Any reduction in teaching load in the tenure stream within a unit should be accompanied by an analogous reduction in the teaching stream. Similarly, any increase in administrative tasks should be accompanied by teaching release.
- (v) The workload committee in each unit will ensure, in consultation with the chair, principal, or dean, that the assignment of courses by the unit head will be made on a basis which allows the teaching stream equitable access to courses which they are qualified to teach.

### **7.2 Guidelines Specifically Applicable to Librarians**

The proportionate distribution of time for librarian activities will be:

- (a) a minimum of 60 % to a maximum of 80% professional practice;
- (b) a minimum of 10% to a maximum of 20% scholarly contributions; and
- (c) a minimum of 10% to a maximum of 20% service.

Appointed librarians will, in consultation with the appropriate unit head or senior administrator, request duty distribution for the upcoming academic year annually at the performance review. Newly hired librarians with permanent status shall have their workload distribution determined prior to the start of their contract. A librarian's request for a specific distribution shall not unreasonably be denied

The workload for librarians shall be established with due regard for their research and scholarly responsibilities. Release time shall be made available, within the scheduling of the normal work week, so that librarians may pursue research and scholarly work. Librarians desiring to take the research and professional development days to which they are entitled shall notify their supervisors or the Head Librarian; such requests shall not be unreasonably denied.

When previously unforeseen circumstances warrant, professional librarian members may request an in-year adjustment to their selected workload distribution pattern. Such an adjustment will not be unreasonably denied.

The workload distribution chosen will be taken into account during performance review.

Unit workloads shall include considerations of equity amongst librarians with comparable duties in other units.

### **7.3 Additional Guidelines Specifically Applicable to Tenure or Professorial Stream**

The parties agree to meet to develop such guidelines, in addition to the 40/40/20 teaching/research/service principle, failing which they will be the subject of future negotiations under Article 6. In this respect, particular concerns in the tenure stream originate from the proliferation of service and administrative work, tied *inter alia* to teaching and graduate supervision and to dwindling levels of staff support. Other concerns originate in the need to protect an adequate volume of time for research, and an adequate distribution of research time over the course of an academic year.

### **8.0 General**

8.1 It is not intended that this workload Article be applied in a manner that increases workload for specific individuals or groups of individuals; rather the intent is to reduce excessive workloads, facilitate research and scholarship by placing appropriate limits on teaching and administrative workload, enhance transparency in the assignment of workloads, improve equitable distribution of workloads



## **Major Differences between the Workload Proposals**

### **Preamble**

The Administration's workload proposal, most recently revised November 27, 2009, contains a preamble. UTFA's proposal in our mediation brief also contained a preamble which was removed during mediation. Some preamble establishing some general points of departure seems appropriate, including UTFA's previous language:

“it is to be understood that the general intent of these measures is to reduce excessive workloads and enhance equity and good governance. It is not consistent with the spirit of these proposals to apply them in a punitive manner or in a manner that reflects an intent to increase workload for any specific individual members or groups of individuals.”

In addition, while there is merit to the Administration's preamble in identifying workload as “a combination of self-directed and assigned tasks”, UTFA does not agree that “[t]he assigned proportion of a faculty member's work will include teaching and preparation for teaching, and the necessary administrative tasks associated with the operation of a collegial environment. The remainder of a faculty member's working time is self-directed...” This does not actually conform with the collegial manner in which work is now assigned in many units and is not consistent with collegiality and good governance more generally. UTFA prefers to acknowledge more simply and generally that academic workloads for faculty and librarians are a combination of self-directed and assigned tasks. In areas of research, creative, professional, and scholarly activities, while performance expectations are to some degree set by the employer, considerable emphasis is and should remain on protecting the autonomy of individual members to self-direct the emphasis and intensity of their efforts.

### **Principles (Section 1.0 of UTFA's Workload Proposal)**

UTFA's proposal and the Administration's proposal both identify principles that should guide workload assignment. UTFA's proposal identifies ten principles, seven of which are also named by the Administration (exceptions are timeliness, transparency, and proportionality). UTFA believes that the ten principles we have proposed are significant, that timeliness, proportionality and transparency are of particular importance, and that absent compelling submissions from the Administration that UTFA's proposed definitions are problematic, they should be included to give more substantive guidance to the committees and the parties.

### **Unit Workload Committees (Section 2.0 of UTFA's Workload Proposal)**

Both proposals embrace the concept of unit workload committees to enhance workload management and individual workload assignment.

UTFA's proposal requires all units (including librarian units) to establish unit workload committees for the determination of workload norms and requires that units choose the members of such committees by a collegial process. The committees must be broadly representative of the members of their units. The Administration's proposal merely "recommends" that Chairs form advisory committees.

There is a significant difference between the proposals in the degree to which the role of the unit workload committee's is prescribed. Specifically, the Administration's proposal reads "[i]t is recommended that the Dean or Chair/Director establish an advisory committee to review the teaching, and service workload assignments for faculty members in the unit." UTFA's proposal requires this work and prescribes specific steps and a schedule for the work. UTFA believes the Administration's proposal has left too much discretion to Chairs and Directors when that system is clearly not working.

The Administration is loathe to be prescriptive vis-à-vis units and instead wishes to protect flexibility and diversity. We acknowledge these concerns. However, flexibility is reflected in the constitution of the unit workload committees and the propagation of unit workload norms *at the level of the academic unit*. If collegial procedures are not safeguarded, UTFA will be forced to seek more prescriptive means of dealing with workloads which will undermine the flexibility both sides have embraced.

Workload norms are determined by similar committees at key peer institutions including Queen's, Western and York.

### **Member Ratification of Unit Workload Norms (Section 2.5 of UTFA's Workload Proposal)**

In the event that the Dean rejects the initial workload norms set by unit workload committees, UTFA's proposal requires the Dean and the unit workload committee to reach an agreement. Any such agreement must then be ratified by a majority of the members of the unit.

We believe our proposal is reasonable because it does not allow any party, whether a Dean or a unit workload committee, to impose workload norms. UTFA concedes that the Dean or the Dean's designate must agree to the workload norms for any given unit.

Budgetary concerns are observed by requiring that proposed norms allow units to fulfill their academic program obligations.

Members ratify workload norms at other universities. At Queen's, changes to normal workload must be ratified by a majority of the members of the unit and be approved by the Dean.<sup>43</sup> At Western, normal teaching and normal service workloads may only be increased if ratified by the majority of the members of a unit.<sup>44</sup>

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<sup>43</sup> See Tab 33 (Queen's Collective Agreement - Workload).

<sup>44</sup> See Tab 34 (Western Collective Agreement – Workload).

### **Assignment of Individual Workloads (Sections 3.0, 4.0 and 5.0 of UTFA's Workload Proposal)**

Although the parties agree that the Chair/Dean/Chief Librarian shall make individual workload assignments, UTFA's proposal goes into far greater detail concerning the factors that must be considered and requires prior consultation with individual members.

In particular, UTFA's proposal requires that Chairs and Chief Librarians take into account:

- The listed factors for determining normal teaching and service load (Section 3.0 and 4.0 of UTFA's Workload Proposal and Appendix A and B of the Administration's Workload Proposal), and
- The listed factors relevant to each individual (Section 5.2 of UTFA's Workload Proposal).

Consultation with individual members is essential to maintaining a collegial environment and may actually assist unit heads in their decisions. Consultation presents an opportunity for members to voice concerns and to raise issues relevant to workload assignments.

It is important to be explicit about factors that need to be taken into consideration in order to uphold the principles of proportionality, comprehensiveness, fairness, good governance and equity. UTFA's members, and notably members of the teaching stream, have reported that a key issue in escalating and unfair workloads for individuals is the failure to recognize the proliferation of administrative and teaching responsibilities and activities. In the area of teaching, there is a particular danger in using the rubric of full course equivalents in the absence of a recognition that such measures need to account for all teaching related duties.<sup>45</sup>

### **Transparency (Section 5.7 of UTFA's Workload Proposal)**

A significant difference remains between the parties over transparency and the publication of information concerning individual workloads. UTFA seeks individual level disclosure of teaching and service assignments. The Administration proposes to "recommend" that units provide such information in summary form.

Experience shows that transparency enhances collegiality because it reduces suspicions about inequitable treatment. In the Department of Geography at St. George, for example, transparency has become a norm in annual teaching assignments.<sup>46</sup> Contrary to the Administration's assertion that transparency violates the privacy interests of faculty members, actual experience demonstrates that transparency enhances understanding and mutual support within a unit. Moreover, transparency may be expected to have an important steering effect toward greater equity within units. It is clear from the individual level of disclosure at many other universities that privacy concerns do not outweigh the

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<sup>45</sup> See Section 3.0 and 5.2 of the UTFA Workload Proposal.

<sup>46</sup> See Tab 35 (Sample of Workload Disclosure from St. George Geography Department).

advantages of transparency. UTFA finds the Administration's objections completely without merit on this issue.

The Queen's collective agreement requires that the workload standard must:

“allow Members to see and understand the calculation of their own responsibilities and the responsibilities of their colleagues. To facilitate transparency, the Unit Head shall make available a list of teaching and service duties of all members as they are being formulated for the following academic year, and a summary list of final allocations in the fall for that year...”<sup>47</sup>

Typically, units at Queen's publish, at the minimum, a list of courses taught, the number of graduate students, the committees that a member serves on, significant outside positions held by a member and any negotiated or sabbatical leaves.

At Western, individual level disclosure of courses taught, enrolments in each of those courses, number of graduate students and alternative workload arrangements, is required.<sup>48</sup>

At Wilfrid Laurier and York, units must disclose individual teaching assignments and, if there is deviation from the normal teaching load, the reasons for such deviation.<sup>49</sup>

### **Equity Across the Campuses (Sections 1.9 and 1.10 of UTFA Proposal)**

UTFA seeks language in the workload provision reaffirming the commitment of the parties to ensure that there are no significant discrepancies between workloads among cognate disciplines across the three campuses. This is consistent with the goals identified in the Letter of Understanding between the parties dated June 20, 2003 (Tri-Campus Letter).<sup>50</sup>

The Administration has largely failed to comply with this letter. Provisions for reporting information specified in the letter have not been adhered to. Moreover, existing data point to clear disparities in teaching workloads at UTM and UTSC compared with similar or the same disciplines at St. George. These numbers are consistent with the huge differences between the student to faculty ratio at St. George (approximately 25 to 1) and that at UTM and UTSC (approximately 40 to 1 at each of them).<sup>51</sup>

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<sup>47</sup> See Tab 33 (Queen's Collective Agreement - Workload).

<sup>48</sup> See Tab 34 (Western Collective Agreement – Workload) and Tab 36 (Sample of Workload Disclosure from Western).

<sup>49</sup> See Tab 37 (Sample of Workload Disclosure from Wilfrid Laurier).

<sup>50</sup> See Tab 26 (Tri-Campus Letter).

<sup>51</sup> Disparities between UTM/UTSC and St. George in space allocation and class sizes are reported in the University's Performance Indicators. See Tab 28 (Excerpts from “University of Toronto Performance Indicators”).

UTFA proposes a Joint Committee, composed of an equal number of UTFA and Administration representatives, to carry out an examination of the teaching, learning and working conditions for faculty and librarians at UTSC and UTM.

In the Benefits section of this brief, UTFA also proposes to provide a transportation subsidy for faculty and librarians appointed to multiple campuses and who must travel to and from St. George. Additional travel between campuses exacerbates workload inequities between campuses, particularly in the absence of viable transit options.

### **Teaching Stream (Section 7.1 of UTFA's Workload Proposal)**

The University's teaching stream consists of faculty members with teaching intensive appointments. Although the stream is sometimes misrepresented as a "teaching only stream," this is in fact incorrect. Members of the stream are expected to do more teaching than their tenure stream colleagues, but are also expected to engage in scholarly, creative and professional activities that may include ongoing pedagogical development outside the classroom as well as conventional scholarly activities.

A wealth of data indicate that there are serious workload related challenges that uniquely affect the teaching stream.<sup>52</sup> Highlights from the Administration's 2006 Speaking Up Survey, based on over 140 respondents from the teaching stream (roughly half of the stream) include:

- 63% of respondents (and 67% of female respondents) indicated workload was "heavy/much too heavy."
- Teaching responsibilities were identified by over 80% of respondents as a source of stress.
- More than one third disagree with the statement that "[m]y work allows me to achieve an acceptable balance between my work life and personal life"

Highlights from the UTFA Workload Survey 2008:

- Just over 20% reported being pressured to teach in all three terms (a direct violation of Article 8 of the MOA).
- More than half reported being asked to take on extra duties for no additional pay.
- More than one third reported "seldom" or "never" having adequate access to support staff.

One underlying source of these issues is the too frequent misrepresentation of the stream even by University administrators as a teaching only stream. Effective teaching at the university level is widely understood to draw in part from synergies between teaching and scholarship. This is no less the case for members of the teaching stream than it is for the tenure stream. And yet UTFA observes that many members of the teaching stream find the achievement of such synergies through an appropriate balance between teaching,

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<sup>52</sup> See Tab 38 (Summary of Results from the Administration's Speaking Up Survey 2006) and Tab 39 (Summary of Teaching Stream Results from the UTFA Workload Survey 2008).

on the one hand, and scholarly, creative and professional activities, on the other hand, is difficult to maintain. This imbalance is largely a result of the unchecked proliferation of teaching and administrative duties. Those who have remained active in their scholarly pursuits have often done so at the expense of a reasonable work/life balance. As one member wrote, “[w]e do it because it is important, but we do it without the support of our institution.”<sup>53</sup>

Section 7.1 of UTFA’s Workload Proposal dealing specifically with the teaching stream is intended to address issues and problems that are unique to the stream.

***Teaching Loads should not exceed Tenure Stream loads by more than 50%***

UTFA maintains that members of the teaching stream should not be assigned teaching related duties in excess of 50 percent more than their tenure stream colleagues within the same unit. This is consistent with the principle that the teaching stream is a teaching intensive rather than a teaching only faculty stream, and also reflects the need to recognize three discrete areas of appointment for teaching stream faculty, namely teaching, service or administration, and scholarly, creative, professional and pedagogical activities. These scholarship and service obligations are stated in the University of Toronto Policy and Procedures on Academic Appointments and must be fulfilled as a condition for annual PTR increases and for promotion to Senior Lecturer.<sup>54</sup> And yet UTFA finds that many units continue to misconstrue teaching stream appointments resulting in teaching loads that are too heavy.

UTFA notes that one consequence of rising enrolments is that teaching stream faculty have often been assigned extra teaching work, much of which may fall outside the classroom (e.g. curriculum and course development, course coordination, etc.). In our survey, more than 30 percent of teaching stream respondents reported an increase in teaching loads over the past five years.<sup>55</sup>

UTFA also finds that teaching stream members have been assigned substantial amounts of teaching and administration work that is not adequately or equitably recognized. UTFA’s general position is that the weighting of all duties in consideration of an individual’s workload should be consistent and independent of the individual member, and this would apply both within as well as across the three streams.

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<sup>53</sup> See Tab 40 (Letter from UTFA Teaching Stream Member).

<sup>54</sup> See Tab 41 (University of Toronto Policy and Procedures on Academic Appointments), Tab 42 (Faculty of Arts and Science Guidelines for Evaluation of Teaching Activities and Pedagogical/Professional Development) and Tab 43 (PTR/Merit Assessment and Salary Increase Instructions for 2008-09).

<sup>55</sup> UTFA Workload Survey 2008.

## **Librarians**

### ***Distribution of Librarian Workload Duties***

UTFA represents the University's librarians. Librarians are a scholarly and professional appointment.<sup>56</sup> However, in general terms, librarians report that in the assignment and management of workload, adequate time for professional and scholarly activities is being undermined by the proliferation of professional practice and administrative obligations. Moreover, many librarians report that workload assignment is not being undertaken in a collegial manner in the libraries.

Section 7.2 of UTFA's Workload Proposal deals specifically with the librarian stream and is intended to address issues and problems that are unique to the stream.

UTFA's proposal and the administration's proposal agree that the duties of librarians are a combination of professional practice, scholarship and service. This is important. However, UTFA's proposal more specifically requires 60% to 80% of each librarian's duties to be professional practice, 10% to 20% to be scholarly activities and 10% to 20% to be service.

UTFA's proposal also specifies that individual requests for specific distributions of workload duties (within the limits described above) should not be unreasonably denied. This is consistent with professional autonomy and collegiality, issues that librarians report are under threat.

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<sup>56</sup> See Tab 44 (University of Toronto Policies for Librarians).

## SECTION D. INFORMATION SHARING

### 1. Outstanding Issues from Prior Negotiation

A Memorandum of Agreement dated August 7, 2007 (August 2007 Agreement)<sup>57</sup> between the Administration and UTFA concerning information sharing issues was signed in the context of Article 6 negotiations for the 2005-06 and 2006-07 academic years. Pursuant to the August 2007 Agreement, the parties agreed that Martin Teplitsky, QC, would be seized as mediator/arbitrator if they failed to agree.

The following information sharing issues are outstanding:

	<b>Issue</b>
(a)	Benefits – Access to Green Shield rules, regulations and guidelines.
(b)	Salary Disclosure – Individual salary information.
(c)	Information Officer and Arbitration.
(c)	Memorandum of Agreement – Amendment of Article 11 (Information).

#### a. Benefits

UTFA seeks meaningful information regarding the terms and levels of our benefits and the criteria for adjudicating claims under the benefit plans. UTFA also seeks a copy of the financial arrangements between the Administration and Green Shield. Related is UTFA's proposal for language relating to the maintenance of benefit levels which is discussed in the Benefits section of this brief.

Our letter dated December 3, 2007 describes the reasons for which we are seeking this information and the frustrations we have experienced in getting this information.<sup>58</sup> Our members have had repeated difficulties with Green Shield denying their claims.<sup>59</sup> Claims are denied for no apparent reason and then un-denied after complaints are lodged. Other claims are denied based on criteria that have not been disclosed, much less negotiated. In order to understand whether these claims were properly or improperly denied, we have sought and continue to seek clear and meaningful information about what is and is not covered under the benefit plans.

In response to our requests, the Administration has provided Green Shield tables with detailed lists of rules covering hundreds of pages that are meaningless in their complexity.<sup>60</sup> The Administration claims that this is all that they can provide and that there is no insurance contract or plan document that describes plan provisions because it self-insures and uses Green Shield on an administrative services only (ASO) basis. This

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<sup>57</sup> See Tab 45 (Memorandum of Agreement dated August 7, 2007).

<sup>58</sup> See Tab 46 (UTFA Letter dated December 3, 2007).

<sup>59</sup> According to our most recent survey, 22.2% of member respondents (133 out of 598 respondents) have encountered difficulties in their dealings with Green Shield.

<sup>60</sup> See Tab 47 for excerpts from the disclosure provided.



is incomprehensible to us. There must be some document of the plan design. There must exist some document that instructs Green Shield on how to adjudicate claims on the Administration's behalf. Otherwise, there would be no way to set benefit levels! How would the Administration ensure that negotiated benefit levels are honoured? We suspect that they are not.

To underscore the urgency and importance of this information, we point to two instances of the Administration decreasing benefit levels without UTFA's consent. The first is the change of coverage for prescription drugs from "all" to "most" prescription drugs. The second is the removal of a specific dental procedure called curettage from coverage despite this procedure remaining on the Ontario Dental Association's fee guide.

The Administration has been unwilling to provide a copy of the ASO financial arrangements. UTFA's position is that we must have full disclosure about these financial arrangements in order to appreciate the value of our benefits and to effectively negotiate our benefits.

#### **b. Salary Disclosure**

UTFA currently receives annual salary information from the Administration with the following information fields:

- Tenure Stream/Teaching Stream/CLTA: ID, Gender, Birth Year, Division Group, Campus, Year Hired Into Tenure Stream, Rank, Year of Highest Degree, FTE and Annualized Salary.
- Librarians: ID, Gender, Grouping, Year Employed, Year of Highest Degree, Librarian Level, Rank, FTE and Annualized Salary.

As described in our letter dated August 1, 2007 and acknowledged by the Administration in its letter dated September 26, 2007,<sup>61</sup> we have been seeking these additional information fields:

- Ending date of contract (for CLTAs and other non-tenured tenure stream faculty, non-permanent teaching stream faculty and non-permanent librarians);
- Year of first employment at the University;
- Department (or faculty if department is not applicable as in a single department faculty);
- Cross appointment and list of departments
- Annualized salary in prior year; and
- Date on which information is provided.

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<sup>61</sup> See Tab 48 (UTFA Letter dated August 1, 2007) and Tab 49 (Administration Letter dated September 26, 2007).

The Administration's response was that UTFA had not confirmed its agreement with the terms of confidentiality that had been agreed. However, this is not true. On page 2 of UTFA's letter dated August 1, 2007, UTFA explicitly confirmed:

“that any confidential information that could identify [sic] individual faculty members or librarians of the University which is transmitted by the Administration to UTFA in relation to Salary and Benefit negotiations will not be used in a manner which would allow the identification of individual members, that would be inconsistent with the requirements of Salary and Benefit negotiations or the communication with members of UTFA.

I further confirm, on behalf of UTFA, that all such confidential information will be maintained in a secure location separate and apart from the general files of UTFA.”

The information that UTFA seeks is necessary for UTFA to understand the working conditions (e.g. the nature of their appointments) and salaries of our members (e.g. differences between disciplines). In addition, information on annualized salaries from the previous year assists us in understanding how salaries change over time. This is all information critical to UTFA's ability to effectively negotiate salaries, benefits, pensions and workload under Article 6 of the MOA.

Moreover, in addition to the specific salary and benefit information set out above, UTFA should be entitled to receive additional salary, benefit and workload information which the Administration either has in its possession, or can gather or obtain in a usable form without undue hardship.

**c. Amendment of Article 11 (Information) of the MOA and Information Officers**

UTFA has proposed to amend the MOA to provide for the designation of an information officer by each party for the exchange of information and for the determination of disputes related to Article 11 by final and binding arbitration. In the alternative, UTFA seeks to include this provision in the settlement or award issued pursuant to this round of Article 6 negotiations.

The Administration's letter dated September 26, 2007 confirms that it agrees to designate an information officer for the exchange of information with UTFA and that it agrees to refer disputes under Article 11 to the Chair of the Grievance Review Panel for final and binding arbitration.<sup>62</sup>

UTFA accepts the Administration's counter proposal and requests that Arbitrator Teplitsky include the parties' agreement in his award and order the parties to amend the MOA accordingly.

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<sup>62</sup> See Tab 49 (Administration Letter dated September 26, 2007) and Tab 50 (Administration Memorandum dated October 25, 2006).

## **2. Additional Information issues for 2009-10**

UTFA seeks:

- (a) Copies of offer letters for new hires and copies of all advertisements for positions that will comprise part of our membership,
- (b) Individual and unit level workload information generated via agreed upon provisions (see Section 5.7 of UTFA's Workload Proposal),
- (c) Information on overload teaching assignments including terms and conditions, and
- (d) Improved information on benefits (see above.).

### **a. Offer Letters and Job Advertisements**

The Administration has already agreed to the following:

- inclusion of a brochure provided by UTFA in its information package sent to individuals on short lists for faculty and librarian appointments;
- providing UTFA contact information (including UTFA's website address) to those who have been offered appointments; and
- providing the names of individuals who have accepted appointments at the University to UTFA.

However, in addition, we seek not only the names but also the contact information of individuals who have accepted appointments at the University because we want to be able to contact them directly. These individuals will be dues paying members of UTFA and should benefit from our assistance as early as possible in their careers. UTFA also arranges information sessions for new faculty and librarians at the start of the academic year and needs to be able to contact them before they arrive on campus.

The Administration has argued that these individuals may not want to be contacted by UTFA. UTFA's position is that it is our responsibility to manage communications with our members and we will obviously do so in a respectful manner. The Administration's unfounded fears should not form the basis for denying UTFA the ability to communicate with and assist its members.

UTFA also seeks a copy of all advertisements for positions that will comprise part of our membership. Other faculty associations receive this information from their university administrations. It is not confidential and there is no reason why UTFA should not receive the same information.

**c. Overload Teaching Assignments**

UTFA seeks individual level disclosure about overload teaching assignments (and payments related thereto) as well as the terms and conditions of such assignments. Overload teaching forms part of our members' workload and compensation and should be fully disclosed to UTFA.

The information assists UTFA in understanding workload issues at the University, and provides UTFA a more complete picture of academic salaries at the University.

## SECTION E. UTFA DUES REDIRECTION

***UTFA Proposal:***

***UTFA dues that are redirected as a result of conscientious objection shall be remitted to the United Way, Doctors Without Borders or the Stephen Lewis Foundation.***

Currently, redirected dues may only to one of the following:

1. Scholarship/Student Aid at the University;
2. Computer Technology/Lab Support at the University of Toronto; or
3. The United Way or one of its designated agencies.

The University is the ultimate beneficiary of options one and two. This is objectionable. First of all, the University, as employer, should not be the beneficiary of redirected dues. Although the Ontario Labour Relations Act does not apply to us, we note that section 52 requires that redirected dues go to a charitable organization, and not to the employer. Second, individuals who conscientiously object should not realize a personal gain from redirecting their UTFA dues. Under both options one and two, this could happen if the money went to scholarships or technology within the objecting individual's department.

UTFA proposes that redirected dues be remitted to non-University charitable organizations only. Specifically, we propose that individuals be given a choice between the United Way, Doctors Without Borders and the Stephen Lewis Foundation.

## **ADMINISTRATION'S PROPOSAL TO INCREASE UTFA MEMBER CONTRIBUTION RATES TO THE UofT PENSION PLANS**

On January 22, 2010, the Administration proposed that the UTFA member contribution rates to the UofT Pension Plans be increased as follows:

- (i) from 4.50% to 6.75% for below the CPP Maximum salary; and
- (ii) from 6.00% to 9.00% for above the CPP Maximum salary.

This proposal is equivalent to a permanent 2.7% reduction in base salary.

This proposal represents an increase of about 50% from the current average contribution rate of 5.43% to an overall future average rate of 8.14%. The Administration does not propose to improve pension benefits or increase its own contribution rates.

The University of Toronto Pension Plan (the UofT Plan) includes all 8,326 active and disabled employees at the University. This includes faculty and all other staff. (The Administration has rejected UTFA's proposal that the faculty and librarians have a separate plan.) The various staff groups are represented by a number of unions. The UofT Plan also includes 4,569 retired participants and 2,750 *others* who include terminated and vested participants, as well as suspended, exempt and pending status participants.

The Administration's proposal would create a new group of active members in the defined benefit pension pool, namely faculty and librarians, who would have the highest contribution rates and receive the lowest pension benefit.<sup>63</sup> In effect, faculty and librarian pension contributions would subsidize most of the other plan members. This is a non-starter.

UTFA unequivocally rejects this proposal. It violates the spirit of the 1987 pension amendment to the UofT Pension Plans (the 1987 Amendment) which followed from the Teplitzky Report for the 1987-88 and 1988-89 academic years.<sup>64</sup> The Administration now wants UTFA members to help pay for the pension abyss that it created for itself in the years following the 1987 Amendment. The pension deficit abyss results from the unilateral decisions made by the Administration to change actuarial assumptions and to then take years and years of contribution holidays. It then failed to properly oversee the investment of the pension assets by UTAM with the result that the UofT Pension Plans saw almost a billion dollar in losses in 2008, with the market value of its asset base shrinking from \$3 billion to \$2 billion.

The Governing Council of the University of Toronto is both the Sponsor and the Administrator of the UofT Pension Plans. The official pension plan document states:

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<sup>63</sup> See Tab 51 (Excerpts from Hewitt Actuarial Report as at July 1, 2009 for the UofT Plan) for details of the contribution rates for UTFA and non-UTFA members.

<sup>64</sup> See Tab 52 (Teplitzky Report 1987-88 and 1988-89).

#### “17.01 Plan Administration

The Governing Council shall be the administrator of the Plan. The Governing Council shall have all such powers as may be necessary to carry out the provisions hereof, and may, from time to time, establish rules for the administration of the Plan and the transaction of the Plan’s business. The Governing Council shall exercise its powers and carry out its duties hereunder in good faith and in reasonable manner.”

The Governing Council and its Boards have a fiduciary duty to represent the best interests of pension plan members. But there is a conflict of interest issue. On a number of occasions, UTFA has gone to the Business Board to say that the Business Board cannot wear two hats and represent both the best interests of the University in its budgetary matters and the best interests of plan members at the same time. The Administration has repeatedly rejected this UTFA concern.

#### **Since 1987, UTFA has never agreed to raise contribution rates except to pay for pension improvements.**

Since 1987, UTFA has only agreed to increase member contributions in exchange for pension improvements.

In 1992, the contribution rate was increased from 2.5% (below YMPE) and 5.0% (above YMPE) to 3.9% (below YMPE) and 6.0% (above YMPE). In exchange, the pension benefit rate was increased from 1.0% to 1.3% (below YMPE)<sup>65</sup> per year of service and indexation was increased from 60% to 75%. And in 1999, the contribution rate was increased from 3.9% to 4.5% (below YMPE), where it remains today, to pay for an increase in the pension benefit rate from 1.3% to 1.5% (below YMPE).<sup>66</sup>

These contribution rate increases had nothing to do with the economic or demographic circumstances of the day.

#### **In 1987, the parties agreed, in effect, to fix the UTFA contribution rate and to allow the Administration’s contribution rate to fluctuate, as necessary.**

The existing funding arrangement was agreed in 1987. Prior to that, the ratio between the parties’ contributions was fixed at 1 (members) to 2.44 (University), and any notional shortfalls or surpluses were to be credited towards future salary and benefits negotiations. In effect, the parties shared responsibility for any notional shortfalls.<sup>67</sup>

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<sup>65</sup> The higher accrual rate only applied to pensionable earnings after July 1, 1992. Later, in 1996, this rate was also applied to pensionable earnings before and up to July 1, 1992.

<sup>66</sup> See Tab 54 (University of Toronto Pension Plan – Annual Service Cost Ratio (UTFA)), Tab 55 (Memorandum of Settlement for 1991-92 dated May 17, 1991 between the Administration and UTFA), Tab 56 (Memorandum of Settlement dated June 16, 1997 between UTFA and the Administration) and Tab 57 (Memorandum of Settlement dated April 30, 1999 between UTFA and the Administration).

<sup>67</sup> See Tab 53 (1982 and 1983 Agreements).

Pursuant to the 1987 Amendment, this relationship changed. Notional shortfalls and surpluses would no longer be credited towards future salary and benefits negotiations. Instead, the Administration assumed sole responsibility to fund any notional shortfalls and, in exchange, gained the right to take contribution holidays in the event of a notional surplus.<sup>68</sup>

Accordingly, the fixed contribution ratio was eliminated. Instead, in 1987 UTFA members agreed to continue contributing 2.5% (below YMPE) and 5.0% (above YMPE) while the Administration's contributions would be allowed to fluctuate depending on the funding needs of the plan as calculated by their actuary.

UTFA agreed to this arrangement in order to insulate the UTFA contribution rate against changes in economic and other conditions that might affect the pension fund's performance. This is fundamental to the existing funding arrangement in force today.

**The Administration bears sole responsibility for any risks associated with economic and demographic conditions.**

Since 1987, the agreement has been that the Administration bears sole responsibility for risks associated with economic and demographic conditions.

There is no question that the Administration understands its responsibility in the same way because it has repeatedly used it to defend its contribution holidays. For example, in the Administration's reply brief submitted for the 1996-97 negotiations, the Administration explained:

“Under the University of Toronto Pension Plan, the pension promise is funded by both the participants and the University. The participant contributions are determined by a specific formula. The balance of the cost of funding the pension promise is the sole responsibility of the University. In other words, the University bears the risk of fulfilling that pension promise and must manage that risk prudently.

The pension promise has a very long time horizon. At various times over that time horizon, due to economic and demographic circumstances, the university's funding to meet the pension promise may be quite high – as it was for the period prior to 1987 when the University contributions were 2 -2 ½ times participant contributions. At other times, the economic and demographic circumstances may result in lower contribution levels, as has been the case since 1987. The pendulum can easily swing either way....

Whatever the funding level, the pension promise does not change.”

The Administration repeated the same argument in its brief submitted for the 2002-03 negotiations:

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<sup>68</sup> See Tab 52 (Teplitzky Report 1987-88 and 1988-89).



“Under the University of Toronto Pension Plan, the pension promise is funded by both the participants and the University. The participant contributions are determined by a specific formula that cannot be changed without a plan amendment. The balance of the cost of funding the pension promise under the pension Plan is the sole responsibility of the University, and the cost of funding the pension promise under the Supplemental Retirement Arrangement is also the sole responsibility of the University. In other words, the University bears the risk for fulfilling the pension promise under both the Pension Plan and the Supplemental Retirement Arrangement...”

The Administration has repeatedly insisted that its sole responsibility for funding the pension promise exists regardless of fluctuations caused by economic and demographic circumstances. It knew that there may be times when funding obligations are higher. This is one of those times.

**The Administration was awarded majority seats on the pension committee because of the understanding that the University bears risks associated with funding shortfalls under the plan.**

Following the pension governance mediation/arbitration in 2008 and 2009, Arbitrator Martin Teplitsky ordered the parties to form a pension committee that is to take over as de facto plan administrator and awarded the Administration a majority (9 out of 16) of the seats on the committee.

The Administration argued vehemently in its brief and during negotiations that it alone bears sole responsibility for funding shortfalls in the plan. Arbitrator Teplitsky accepted their argument and based his decision on it:

“The Governing Council alone is responsible for the fiscal health of the plan. If a deficit arises, the Governing Council must, in accordance with regulatory requirements, address it....”

What informs my conclusion on this issue [of committee membership] is the fact that the Governing Council has the sole responsibility for the Plan’s financial results. As such, it is entitled to a majority of members in the body to whom the role of Administrator is delegated by Governing Council.”<sup>69</sup>

Now, a mere few months later and in the context of salaries and benefits negotiations, the Administration is reversing its position by proposing to increase the contribution rate of UTFA members! By asking UTFA members to contribute more money to the plan, the Administration is effectively asking UTFA members to bear a larger part of the responsibility to meet the funding needs of the plan. Their argument during pension governance negotiations and past salary and benefit negotiations was precisely the

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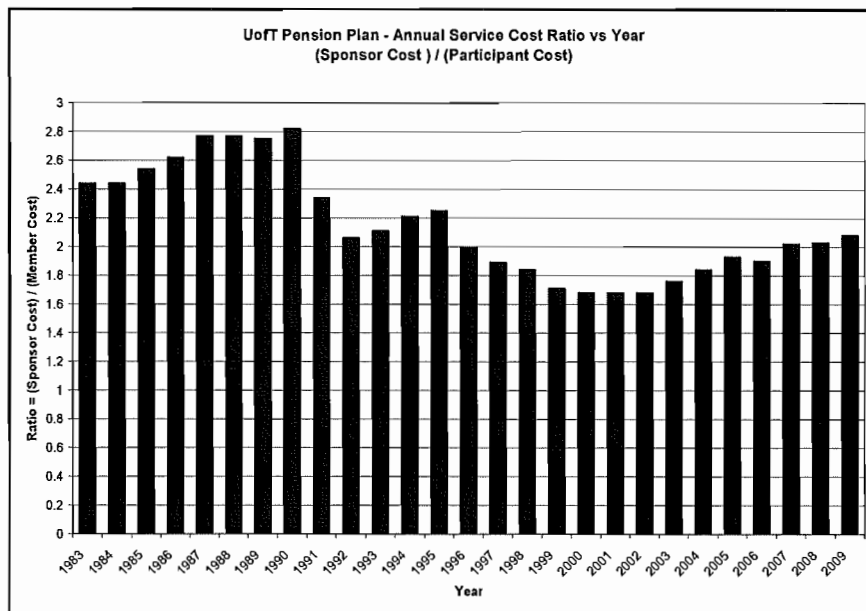
<sup>69</sup> See Tab 58 (Teplitsky Pension Governance Award).

opposite: that it alone bears the risks associated with fluctuations in the funded status of the plan and that it alone is responsible to pay for funding shortfalls under the plan.

**The current actuarial service cost ratio is within the range contemplated by the 1987 funding agreement.**

The service cost ratio is what the actuary thinks the cost ratio is. The actual contribution ratio may not be the same as the service cost ratio, for example if the Administration takes a contribution holiday.

The following chart shows the annual service cost ratio:<sup>70</sup>



The Administration argues that the ratio between its contribution rates and members' contribution rates has increased over time. Presumably, the argument is that the ratio is now beyond what was contemplated at the time of the 1987 Amendment.

The facts tell another story. At the time of the 1987 Amendment the service cost ratio was 2.77, that is the Administration was to add \$2.77 to the plan for every \$1.00 contributed by the member. Clearly, the Administration considered this ratio reasonable or it would not have agreed to assume the responsibility that it did in 1987. In fact, during the 1996-97 negotiations, the Administration specifically refers to the pre-1987 contribution ratio of between 2.0 and 2.5 to 1 as contemplated by the 1987 Amendment as an example of how contribution rates may be during more challenging times.

<sup>70</sup> See Tab 59 (UTFA Memorandum dated January 22, 2010, "How has the Annual Service Cost for the UofT Pension Plan been shared between the Administration (Sponsor) and the Members (Plan Participants)").

Although the ratio fell to approximate 1.7 in the late 1990s, it increased to 2.08 in 2009. This ratio is still much lower than it was in 1987 and well within the expected range.

Furthermore, in the 1987 Amendment there was no mention or discussion that the member contribution rate was in any way dependent on this ratio.

**If the Administration had not taken contribution holidays totalling \$1.0 billion in today's dollars, the UofT Pension Plans would not be in their current deficit position.**

Under the 1987 Amendment, the Administration gained the right to take contribution holidays in the event of a notional surplus. Instead of prudently setting aside funds during good times to fund any notional deficit that may arise during bad times, the Administration acted opportunistically and took contribution holidays which, in today's dollars, total about \$1.0 billion. This is illustrated in the Pensions section of this brief.

If this money had been put into the plan, there would be no notional going-concern or solvency deficit as at the last actuarial valuation on July 1, 2009.

UTFA submits that the Administration bears full responsibility for the plan's notional deficit and sole responsibility for funding that deficit.

**Comparators used by the Administration do not apply to the UofT Pension Plans.**

During the mediation phase of these negotiations, the Administration provided a list of Canadian pension plans where member contribution rates are higher than UTFA contribution rates. Those plans cannot be compared to the UofT Pension Plans. Each institution has its own history of salary settlements, pension plan agreements and actual pension plan contributions over the past 30 years. Accrual rates, indexation, funding arrangements, early retirement options, actuarial assumptions and governance structures are just a few examples of plan design parameters that can influence contribution rates. Before one can make any comparative claim between the UofT Pension Plans and any other defined benefit plan, one needs to examine their complete histories.

**IN THE MATTER OF AN ARBITRATION  
(SALARIES, BENEFITS & PENSIONS for 2009/2010)**

**BETWEEN**

**The University of Toronto Faculty Association**

**AND**

**The Governing Council of the University of Toronto**

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**UTFA Book of Documents**

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**Submitted by:**

**The University of Toronto Faculty Association**

**April 19, 2010**

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