

UTFA PTR Proposal

December 19, 2011

Draft: Confidential and Without Prejudice

On PTR, UTFA proposes in general terms to increase the PTR compensation pool funds from the current approximately 1.72% of total compensation toward the original PTR model number of 3% of total compensation, and to increase the PTR breakpoints (depending on the amount of the PTR funds).

Specifically, UTFA proposes an initial adjustment of the value of PTR to 2.5 percent of the annualized salary mass for PTR eligible faculty and librarians as of June 30, 2011.

UTFA also proposes to eliminate the decanal 5% PTR pool, returning these funds to the regular PTR pool. UTFA proposes to negotiate criteria for any new separate super merit pool fund.

Rationale:

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 known as Progress-Through-the-Ranks (PTR). Though awards are based on the determination of individual merit at the U of T, our scheme is akin to PTR systems in other academic and professional settings including those with pre-determined or fixed annual increments in that it recognizes professional achievement and advancement. Moreover, PTR was intended to create a salary structure such that the ratio of salaries at retirement to starting salaries for faculty and librarians would be approximately 2.5:1. That percentage has dropped steadily over the years for a number of reasons. The salary structure has deviated considerably from this model in the intervening years due to (i) erosion in the value of PTR; (ii) to salary compression driven primarily by starting salaries; and (iii) to changes in the salary structure induced by changes outside of the influence of negotiations between UTFA and the Administration.

It is also apparent that the value of PTR at the University of Toronto has fallen well below Canadian peer institutions. Our data indicate that we now rank 10th among research intensive Canadian universities in average PTR. At the University of Toronto, average faculty PTR was \$2347 in 2008-09 compared to \$3779 at the University of Alberta and \$3691 at the University of Ottawa. The value of our PTR fund has become a notable exception to the "top of the market rule" and now represents a drain on the salary structure in this respect.

In 2010, total PTR awarded was 1.72 percent of the annualized pre-PTR salary mass for tenure stream faculty eligible for PTR. The corresponding figures for librarians, teaching stream faculty and contractually-limited term faculty were 2.17%, 1.92%, and 2.27% respectively. We propose to at least

partially restore the place of the PTR scheme as it was intended to shape the salary structure at the U of T and to increase the value of PTR in light of competitor institutions in Canada.

UTFA's proposal to eliminate the decanal PTR pool reflects the fact that this pool pulls money from a PTR fund negotiated with UTFA and puts it into a fund which is not negotiated (as of now) with UTFA. Money for a decanal super merit pool should not come out of the PTR fund but should rather be a separate fund if it exists at all. Restoration of these funds to the PTR pool should help offset the cost of restoring the aggregate value of PTR. UTFA proposes to negotiate an entirely new super merit fund with criteria for allocation, but this would be separate from the PTR funds.

Details:

UTFA proposes to increase the aggregate value of PTR to 2.5 percent of the total June 30 2011 annualized salaries of PTR eligible faculty and librarians. UTFA also seeks agreement to peg the aggregate value of PTR at 2.5 percent of the June 30 annualized salaries of PTR eligible faculty and librarians pending future negotiated changes in that percentage. This represents a change from the current system in which the parties negotiate the breakpoint, the above and below breakpoint value of PTR awards, and then let the aggregate value of PTR funds change with demographic changes, changes in the salary structure and the application of ATB salary adjustments to the PTR amounts.

Under the new system, the aggregate value of PTR would be a fixed percentage of the salary mass. UTFA further proposes that the distribution of PTR be set so that two thirds of the total fund would go to those below the breakpoint and one third would go to those whose salaries are above the breakpoint (at present, this ratio is 1.77:1). UTFA further proposes to set the breakpoint so that 60 percent of faculty and librarians are below the breakpoint and 40 percent are above (at the current breakpoint, this is closer to 50:50). These proposals represents a further change to the way PTR is calculated, since the average PTR award above and below the breakpoint under the new scheme will fluctuate depending on the aggregate value of the pool.

UTFA proposes that the criteria and guidelines for allocating PTR be held constant pending negotiation with the association under the terms of Article 6 of the MoA. UTFA proposes a working group on PTR guidelines and procedures to study, consult, and report back on any recommended changes to coincide with the subsequent round of Article 6 negotiations.