

UTFA Newsletter

University of Toronto Faculty Association
Tel: (416) 978-3351 Fax: (416) 978-7061

720 Spadina Avenue, Suite #419, Toronto, ON, M5S 2T9
Email: faculty@utfa.org

No. 1, September 27, 2005
website: www.utfa.org

- Update on Salary, Benefit and Pension Negotiations -

Arbitration It Is

This past spring, after successfully negotiating an end to mandatory retirement, the UTFA and Administration negotiating teams met for four days with mediator Kevin Burkett in an effort to reach an agreement on salary, benefit and pension issues. Unfortunately, these deliberations reached an impasse with the result that we are proceeding to arbitration under the terms of the Memorandum of Agreement. Mr. Justice Warren K. Winkler has agreed to serve as chair of the Arbitration Panel. Mr. Jeffrey Sack will serve as UTFA's appointee to the panel. The Administration has appointed Mr. Lawrence Bertuzzi as their representative on the panel.

Areas of Disagreement

UTFA's and the Administration's final positions at the end of mediation can be found on the UTFA web site at <http://www.utfa.org/currentissues/bargainingupd/>. The areas of disagreement between the two sides include:

- the size of the across-the-board (ATB) salary increase and
- indexation of pensions to reflect fully increases in the cost of living.

The Administration offered a 2.5% ATB salary increase, while UTFA proposed a 4% ATB increase; and UTFA proposed full indexation of pensions during the term of the agreement, while the Administration offered no improvement over the partial indexation found in the current pension plan.

As reference to the table on the next page reveals, the Administration's offer of a 2.5% ATB increase is less than ATB percentage increases that have been agreed to at almost all other Ontario universities and at two important comparator universities in Canada. In light of our need to make up for losses that resulted from past ATB increases that were less than increases in the cost of living, we believe that our proposed 4% increase is warranted and affordable.

The Pension Plan provides for indexation of pensions at the rate of 75% of the increase in the cost of living. However, in the past several collective agreements that UTFA negotiated, the Administration agreed to full indexation of pensions during the term of the agreement. We want them to do so again. In an article published in the June 25, 2005 edition of the *Bulletin*, Vice President for Human Resources Angela Hildyard claimed that full indexation of pensions would be too expensive because the pension fund is currently in a deficit position. We dispute this claim on two grounds. First, during the 1990's when there appeared to be a surplus in the Pension Fund, the Administration took pension contribution holidays which had the effect of reducing the amount of money in the fund by over \$900 million (in today's dollars, calculated

using actual pension plan returns). Had the Administration not spent this money for other purposes, the current apparent deficit would not exist. Second, the amount of the Pension Fund's apparent deficit depends on the assumptions that the University makes about the expected future return on investments. Recently, the University reduced its expected returns from 7.0% to 6.5% and thereby substantially increased the apparent pension deficit. The degree, if any, to which the Pension Fund is apparently in a deficit (or surplus) position thus depends on factors that the Administration controls and can use to plead either that the plan is short of money or that the plan has plenty of money, whichever plea serves the purpose of the moment. For these reasons, UTFA believes that current and future pensioners should not be expected to make sacrifices caused by the Administration's past unwise spending and current need to pay back some of the money that they failed to contribute to the plan in the 1990's.

Percentage ATB Increases at Ontario Universities			
	2005-06	2006-07	2007-08
Brock	3.62		
Carleton	3.00		
Guelph	2.50	3.50	
Lakehead	3.00		
Nipissing	3.00		
McMaster	3.00		
Queen's	3.00	3.00	3.05
Ryerson	3.00	3.00	3.50
Waterloo	3.30		
Western	3.00		
Windsor	3.00	3.00	4.50
York	3.50		

Percentage ATB Increases at Comparator Universities			
	2005-06	2006-07	2007-08
Alberta	3.50	3.50	3.90
Calgary	3.00	3.00	
UBC	2.25		

A number of other issues remain that the two negotiating teams did not discuss in detail. These include the following:

- Progress-Through-The-Ranks (PTR) salary increases.** Both UTFA and the Administration are proposing that this merit-based component of salary increases be increased, but our two proposals are quite different. UTFA proposes that the amount of money currently available in the PTR pool be increased by an amount equal to 1% of all the salaries paid to the teaching staff and librarians at the University. The Administration has proposed that during the life of the current agreement only, the PTR pool be increased by an amount equal to \$500 for each full-time professor and that a prorated amount be added to the PTR pool for each professional librarian.
- Salary Adjustment Fund.** During the past several years, starting salaries for professors have escalated rapidly in many fields, with the result that some professors hired 10 or more years ago are receiving smaller salaries than newly hired professors in the same departments. In addition, there are still instances of gender-related and other salary anomalies. To deal with these problems, UTFA proposed establishment of a Salary Adjustment Fund equal to 0.5% of the total salaries paid to teaching staff and the creation

of a Joint Working Group to study issues related to salary inversions and anomalies and develop a system for rectifying inequities. If the Joint Working Group fails to reach agreement about procedures for identifying and correcting anomalies in a reasonable length of time, UTFA proposes submitting the question to arbitration. The Administration has made no response to these proposals.

- **Senior Salary Category.** Professors earning more than \$135,000 a year, senior lecturers earning more than \$105,200, and librarians earning more than \$105,000 are in the so-called Senior Salary Category. People in this group do not receive ATB salary increases. Their salary increases are determined solely on the basis of merit. To determine what these merit increases should be, the Administration goes through an expensive and time-consuming special review process as a consequence of which most people in this category receive salary increases that are not very different from what they would have received if their salary increases were determined in the same way as everyone else's. UTFA proposes the elimination of this wasteful administrative process by eliminating the Senior Salary Category. The Administration has made no response to this proposal.
- **Benefits for people who retired before 1981.** Professors and librarians who retired during or after 1981 receive the same health and dental benefits as those who have not yet retired. However, individuals who retired before 1981 receive only an annual health care expense allowance equal to \$1000 for single pensioners or survivors or \$1500 for pensioners with a surviving spouse. UTFA proposes that the handful of pre-1981 retirees and spouses who are still alive be granted the same benefits as those who retired later. The Administration has made no response to this proposal.
- **Improvements to Ancillary Health Benefit.** Our current benefit provides a sum of \$500 per person per year to cover the cost of services from registered massage therapists, chiropractors and physiotherapists. UTFA proposes that the amount of the coverage be raised to \$1000 per person per year and that the coverage be extended to include the services of optometrists. The Administration has made no response to this proposal.
- **Green Shield claim criteria.** From time to time, claims under the Green Shield health and dental plans are denied under circumstances where it is not clear what the reason for denying the claim was. Enquiries to the Green Shield office do not always clarify the issue. UTFA proposes that UTFA be granted full access to the rules, regulations, and procedures that Green Shield uses to determine whether or not to grant claims. The Administration has refused this proposal. We believe that this refusal is unwarranted.
- **Orthodontics.** UTFA has proposed improving the dental plan to cover 50% of the cost of orthodontic treatment up to a maximum payment of \$3500 per person per lifetime. The Administration has made no response to this proposal.
- **Other Issues.** For a more complete exposition of all the areas of disagreement, see the two side's final positions on the UTFA web site.

Some Areas of Apparent Agreement

- **Salary increases for librarians.** The minimum salary of a Librarian 1 and Librarian 2 will be increased to \$62,500 and \$75,700 respectively and the salary maximum for a Librarian 2 will be eliminated.

- **Course Stipend.** The minimum stipend for teaching a full course on a stipend basis will be increased to \$12,500.
- **Commuted Value Information.** The University will begin to provide information on the commuted value of individuals' pensions in the annual Benefits Statement.
- **Information about UTFA.** The Administration will begin to provide newly hired professors and librarians with information about UTFA.
- **Joint Working Groups.** UTFA and the Administration will establish Joint Working Groups to discuss several areas of mutual interest, including the PTR Model, Pensions, and changes to the Memorandum of Agreement.

Members of UTFA's Negotiating Team UTFA Negotiating Team for 2005-06

Tom Alloway	Vice-President, Salary, Benefits and Pensions. Chief Negotiator. Member of Council and UTFA Executive. Professor of Psychology at UTM. antguy@abspruce.org
Joseph Boyle	Former Principal of St. Michael's College. Professor of Philosophy.
Ken Lavin	Vice President, University and External Affairs Committee. Member of Council for Librarians and of UTFA Executive.
George Luste	President of UTFA, Past Vice-President for Salary, Benefits and Pensions 2002-2003. Chief Negotiator (2002-2003) and member of 1987 UTFA's Negotiating teams. Professor of Physics.
Margaret Procter	Member of Council for SGS, University College, and Woodsworth College and of UTFA's Executive. Past chair of UTFA's Teaching Stream Committee.
Mary Pugh	Member of UTFA Council. Former member of UTFA Executive. Professor of Mathematics.
Peter Russell	Emeritus University Professor of Political Science. Past President of RALUT.

Additional Support for the Team:

Jeffrey Sack	Sack, Goldblatt, Mitchell. Legal Counsel for the negotiations.
Hugh MacKenzie	Consultant