MEMORANDUM OF SETTLEMENT

BETWEEN:

THE GOVERNING COUNCIL OF THE UNIVERSITY OF TORONTO

( the “University”)

-and-

THE UNIVERSITY OF TORONTO FACULTY ASSOCIATION

(the “Association”)

The negotiating committees of the University and the Association have met and negotiated pursuant to the provisions of Article 6 of the Memorandum of Agreement and have reached agreement on salary and benefits for Faculty and Librarians.

The negotiating committees agree to recommend this settlement unanimously to their respective principals.

The terms of this agreement are as follows:

1. TERM
The agreement is for two years commencing July 1st, 2007 and ending June 30, 2009.

2. COMPENSATION
(a) Across-the-Board Salary Increases
3.0% commencing July 1, 2007 or:

- an increase to the annualized salary for tenured/tenure stream professoriate of $3,060, which ever is greater;

- an increase to the annualized salary for teaching stream faculty of $2,125, which ever is greater.

- an increase to the annualized salary for librarians of $2,020, which ever is greater.

Effective January 1, 2008, increase the annualized salary for faculty and librarians by $585.
3.0% commencing July 1, 2008 or:

- an increase to the annualized salary for tenured/tenure stream professoriate of $3,150, which ever is greater;

- an increase to the annualized salary for teaching stream faculty of $2,190, which ever is greater.

- an increase to the annualized salary for librarians of $2,080, which ever is greater.

Effective January 1, 2009, increase the annualized salary for faculty and librarians by $605.

(b) PTR
Normal PTR in both years.

Effective June 30, 2008 and thereafter and June 30, 2009 and thereafter the above and below breakpoint PTR increments and breakpoints for Professorial, Librarian, and Lecturer/Senior Lecturer PTR will be increased by the previous year’s across-the-board increase.

(c) Librarian III Minimum Salary
Effective July 1, 2007 the minimum salary for Librarian III will be raised to an annualized salary of $68,000. Any Librarian III who, after the application of the July 1, 2007 ATB increase and July 1, 2007 PTR increase referred to above has an annualized salary below $68,000 shall have their annualized salary raised to $68,000 effective July 1, 2007.

(d) Per-Course Payments
Effective September 1, 2007 the minimum per course stipend rate payable to individuals represented by UTFA to be increased to $14,000. This amount shall be increased to $14,490 effective September 1, 2008.

3. BENEFITS
(a) Hearing Aid Coverage
As expeditiously as practicable after this Memorandum of Settlement is accepted by the parties’ respective principals, the benefits available to faculty, librarians, retirees and their eligible dependants will be amended to provide that eligible persons with monaural hearing loss be permitted to claim $500 every three years to acquire a new hearing aid. Those with binaural hearing loss be permitted to claim $1,000 every three years to buy two new hearing aids. Use of funds to be restricted to (1) audiologist fees, (2) dispensing fees, (3) the cost of the hearing aid(s) themselves and (4) FM systems and accessories covered by the province’s Assistive Devices Program. The types of hearing aids covered to include: behind-the-ear hearing aids, in-the-ear hearing aids, canal and completely in the canal hearing aids, eyeglass hearing aids and body hearing aids.
(b) Extended Health Care (Vision)
As expeditiously as practicable after this Memorandum of Settlement is accepted by the parties’ respective principals, the existing $250 for the services of an optometrist per two years per person for faculty, librarians, retirees and eligible dependants shall also be available for eyeglasses, contact lenses, and eye exams.

(c) Orthodontics
Effective July 1, 2008, the existing Dental Plan shall be amended to cover expenses for orthodontic procedures for faculty, librarians, and retirees and their eligible dependent children with the University paying 50% of the orthodontic expense costs up to $2,500 per individual per lifetime.

(d) PERA
Effective July 1, 2007 PERA to be increased from $1,000 per year to $1,125 per year.
Effective July 1, 2008 PERA to be increased from $1,125 per year to $1,250 per year.

(e) Research and Study Days for Librarians
Effective July 1, 2007 the annual number of research and study days for librarians to be increased from 8 to 10.

(f) Child-Care
Beginning with the calendar year 2008 (i.e. January 1, 2008 to December 31, 2008) faculty and librarians with dependent children under the age of seven will be eligible for reimbursement of child-care costs in accordance with a child-care benefit plan. The plan will be subject to Canada Revenue Agency requirements and the terms of the plan are attached hereto as Appendix “A”.

4. PENSIONS
Augmentation for Pensioners

The University of Toronto Pension Plan will be amended to augment pensions for retired faculty members and librarians as shown below:

Augmentation as of July 1, 2007 to Pensions in Payment as of July 1, 2007:
<table>
<thead>
<tr>
<th>Year of Retirement</th>
<th>Augmentation Percentage</th>
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</thead>
<tbody>
<tr>
<td>2006 and earlier</td>
<td>Top-up of July 1, 2007 Indexation from 75% to 100% of Increase in CPI</td>
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Augmentation as of July 1, 2008 to Pensions in Payment as of July 1, 2008:
<table>
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The above augmentations shall also be applied under the University of Toronto (OISE) Pension Plan, provided however for pensions in payment indexed at greater than 75% of
the Increase in CPI, the augmentation percentages above shall be adjusted to reflect the higher indexation.

5. WORKING GROUPS
PREAMBLE WORKING GROUPS

The membership of each of these Joint Working Group shall include three representatives of each party.

The parties agree that each Joint Working Group will be provided with data in accordance with the provisions of Article 11 of the Memorandum of Agreement. The groups will determine the analysis and presentation methods for summary statistical data to be used so that both parties work from a common set of data.

The groups may consult with the University community, where appropriate, and will report to the parties no later than (twelve months after the conclusion of the 2007-2008 Salary and Benefits Negotiations).

The parties shall jointly determine if and when the recommendations of the working groups shall be made public.

The parties agree that the fact that any particular matter or issue is the subject of a working group is without prejudice or precedent to either party's position regarding whether the issue(s) falls within article 6 of Memorandum of Agreement.

(a) Salaries for Professors Outside the Tenure Stream and Salary Floors and Maximums

The parties agree to establish a Joint Working Group to consider the salary scale and salary structure for all categories of professors who are outside the tenure stream. This joint working group will also consider the possibility of and issues related to increasing and/or eliminating existing salary floors and maximum salaries for tenure stream and tenured assistant, associate and full professors.

(b) Pension Plan Governance and Funding

The parties agree to establish a Joint Working Group to consider:

(i) The existing governance mechanisms related to the University of Toronto Pension Plan, other models of pension plan governance, the appropriate forum for the Association to have a voice concerning pension plan governance and issues related thereto, and issues related to plan structure including issues related to the possibility of a separate pension plan for faculty and librarians. The parties acknowledge the University's role as legal Administrator of the plan and the Plan Sponsor.
If the joint working group fails to make a unanimous recommendation on the issue of the appropriate forum for the Association to have a voice concerning pension plan governance the parties agree that Martin Teplitsky shall remain seized.

(ii) Issues related to the funding of the Pension Plan including both member contributions and University contributions.

This Working Group can include advisors, actuaries and/or counsel for each of the parties.

(c) Benefits
The parties agree to establish a Joint Working Group to consider:

(i) Issues around the liability for employee future benefits and retiree benefits other than pension as well as issues related to Health Care Spending Accounts, complex demographics and personal preferences concerning benefits, premium structures for existing or alternative benefits including short and long term disability insurance, and tax efficient benefit design.

(ii) The premium structures for the current medical and dental insurance plans. In February 2005, the University proposed the following change to the rate structures:

"Introduce a new premium rate structure that provides the following options: Member, Member plus 1, Member plus 2 or more. In looking at new rate structures, we would propose that the cost be determined based on the experience of active members only."

In February 2005 the Association proposed:

"For the purpose of determining the employee's portion of premiums payable for benefits, add a new category for couples (employees plus spouse or partner) with premium amounts intermediate between those paid by single individuals and families."

The working group may use these proposals as a starting point for discussions. Dated at Toronto this 7th day of August, 2007

(d) Workload and Work Life Balance

The parties agree to establish a Joint Committee on workload and work life balance.

The terms of reference for this Committee will be the following:

(i) Study the issue of workloads, including but not limited to class size/workload/laboratory supervision for tenured/tenure stream professoriate, teaching stream, and librarians.
(ii) The parties agree that the Committee will review workload provisions of other universities in Canada.

6. Martin Teplitsky QC remains seized of any issues concerning the implementation of this Memorandum of Settlement.

FOR THE UNIVERSITY

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FOR THE ASSOCIATION

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APPENDIX “A”

University of Toronto Faculty and Librarian Child-Care Benefit Plan

1. Members with a dependent eligible child under the age of seven will be eligible for reimbursement of child-care expenses as follows:

(a) The maximum half-day reimbursement will be $10.00 per day. A half-day is defined as a minimum of four (4) hours to a maximum of six (6) hours of care, or where the parent is being charged a half-day rate by the child care provider.

(b) The maximum full-day reimbursement will be $20.00 per day. A full-day rate is defined as six (6) or more hours of care, or where the parent is being charged a full-day rate.

(c) Reimbursement is limited to fifty percent (50%) of the lesser of (i) the amount actually paid; and (ii) the usual and customary amount charged by the service provider for the same child care services. Between January 1 and February 1 2009, and between January 1 and February 1 of subsequent calendar years, Members must provide to the University, in a single package, detailed receipts substantiating the child care expenses in respect of which reimbursement is sought for the previous calendar year along with proof of payment (e.g., credit card receipt, front and back of cancelled cheque, or a validated receipt). Reimbursement in respect of a calendar year shall be made in one lump sum cash payment, less applicable withholdings, if any.

(d) Reimbursement will be made only for child care expenses (as defined in the ITA) incurred by the Member. The University makes no representations as to whether a deduction from income is available under the ITA in respect of any amounts paid or payable under this plan.

(e) If both parents are eligible for reimbursement under this plan, only one shall be entitled to claim reimbursement under this plan in a calendar year.

(f) The plan maximum of $2,000 per child will be provided annually, based on a calendar year. The amount will be prorated for less than full-time equivalent employment. A Member who has been appointed for less than the full calendar year shall be entitled to a pro rata amount for that year. There are no carryover provisions if the full $2,000 is not used in any given year.

(g) The terms “child care expense” and “eligible child” in this plan shall have the meanings given to them in subsection 63(3) of the ITA. The term “child” shall have the extended meaning given to that term in subsection 252(1) of the ITA such that, where used in this plan, the term “child” shall include a natural, step, common-law or adopted child or ward under the age of seven.
(h) Payments to be made by the University under this plan shall be paid solely out of the general operating monies of the University. The University shall not be required to contribute or set aside any amounts to a separate fund or account to satisfy its obligations under this plan, or otherwise secure its obligations under this plan. The value of the annual eligible claims under this plan shall not exceed $1,000,000. If, in a given year, the value of the eligible claims under this plan is greater than $1,000,000, all claims will be reimbursed on a pro-rated basis. If, in a given year, the total value of the eligible claims under this plan is less than $1,000,000, the excess amount shall be carried forward and added to the notional value of the eligible claims for the following calendar year.