

# WLUF ADVOCATE

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## Change is afoot: Universities and unions design a new pension plan

By Marc Kilgour, *Mathematics*

The University Pension Project (UPP) is an effort to create a new pension option for Ontario universities. An alternative to the current system in which each university manages its own pension plan(s), the new plan would be common to all of the province's universities that choose to join it. And it would be a Jointly Sponsored Pension Plan (JSPP)—a pension plan sponsored by both employers and employees. These features would permit more investment options and (with provincial government consent) would provide an exemption from solvency valuations and solvency funding requirements. The new plan—also called the UPP—would be open to all Ontario universities and all employee groups, and would be entirely voluntary. In particular, groups currently participating in the design of the plan are not obliged to join it should it eventually come into existence.

The UPP is being carried out by some universities (including Laurier), by the Ontario Confederation of University Faculty Associations representing faculty associations (including WLUF), and by other unions. As a JSPP, the pension must have both an employer sponsor and a labour sponsor—boards that would have to agree on any changes to the plan. The roles of various labour groups in the labour sponsor are under discussion at the present time, as is the idea of involving non-organized employee groups. The project has received encouragement and some funding from two

provincial ministries—Training, Colleges and Universities, and Finance.

In part, the UPP would create a new pension plan that would replace existing plans for university employees, provided they choose to opt in. It would be a Defined Benefit (DB) plan; pensions would be earned based on service subsequent to joining the plan. The details are still under negotiation, but it appears that, compared to existing DB plans, the benefits will be fair and maybe even generous.

But that's not all. The new plan would also take responsibility for all pensions earned at any participating university prior to joining the UPP according to the rules that applied to the service—whatever they were. In other words, existing pensions will be protected, both for retirees and for in-service employees. When a university joins the UPP, it would have to "write a cheque" to cover the entire (actuarially estimated) cost of its existing pension obligations. A university with a pension deficit would, of course, have to borrow the money or issue a bond. But it would gain some certainty about its pension liabilities, would be freed from the responsibility of investing pension funds, and no longer would be the sole sponsor of the plan. For existing pensioners, the situation would be essentially unchanged. For current employees, pensions already earned would be protected, while pen-

sions earned in the future would be determined under the new plan.

Work on the UPP started in spring 2014. The design phase is now coming to an end, and reports are being filed. The next stage—the build phase—will be undertaken if the province provides additional funding, which seems likely. The build phase will likely last a year, and the subsequent stage—the implementation phase—about two more years. Thus, Jan. 1, 2019, is an optimistic starting date.

Is the UPP a good idea? Would WLUF members be well served by such an arrangement? Personally, I'm not sure. It's not clear whether the provisions of our existing plan are better or worse. In fact, the details of the new plan are still not certain, so it's hard to make a comparison at present. Of course, the decision to join the UPP would be based on collective bargaining. Laurier may be eager to join the new system and "get out of the pension business," and WLUF may share this interest—or may be able to use it as leverage in bargaining. Much remains to be seen. We live in interesting times!

*Marc Kilgour has been a WLUF appointee to the WLU Board Pension Committee for several years. He is also a member of the OCUFA Pension Policy and Research Group, which evolved into the faculty side in the UPP negotiations.*



Ontario Confederation of University Faculty Associations  
Union des Associations des Professeurs des Universités de l'Ontario

## Conference, day of action to challenge rise of precarious work at Ontario universities

*The following is a press release issued by the Ontario Confederation of University Faculty Associations (OCUFA)*

TORONTO – Faculty, staff, and students are coming together to challenge the rise of precarious work at universities and colleges across Ontario. An online day of action will be marked by a variety of events, including a major conference in Toronto.

“Thousands of talented professors are stuck in precarious academic jobs with unfair pay, lack of access to benefits, and poor job security,” said Fran Cachon, a contract faculty member at the University of Windsor. “This growing problem not only hurts individuals, their families, and their communities, but it also threatens the quality of education in Ontario.”

At campuses across the province, contract faculty members will be sharing their experiences and calling for fairness under the hashtag #precariousPSE. In Toronto, students, faculty, and policymakers will gather at the “Challenging precarious academic work” conference, organized by the Ontario Confederation of University Faculty Associations (OCUFA).

OCUFA is also launching an [online pledge](#) as part of its We Teach Ontario initiative, where students, faculty, and citizens can demonstrate their commitment to fairness for contract faculty.

As part of the day of action, OCUFA released the results of a public opinion poll examining attitudes about precarious work in Ontario’s universities – the first of its kind in the province.

The results include:

**94 per cent** of Ontarians think universities should be model employers and support good jobs in their communities.

**88 per cent** want part-time professors to be converted into full-time positions before more part-time professors are hired.

**85 per cent** want part-time professors to receive fair pay and **84 per cent** believe part-time professors should have the same access to benefits as their full-time colleagues.

**64 per cent** of Ontarians want to be taught by, or have their child taught by, a full-time professor with job security and benefits.

**60 per cent** are in favour of more public funding for universities to promote long-term employment relationships with faculty

“The poll results clearly show that Ontarians want universities to employ full-time professors, and to treat their contract faculty with fairness and respect,” said Judy Bates, President of OCUFA. “In other words, the people of Ontario want every academic job to be a good job.”

The complete poll results are available on the OCUFA website. The poll was conducted by Mission Research on behalf OCUFA with a sample of 1000 individuals with results accurate to within +/- 3.1 percentage points, 19 times out of 20.

Founded in 1964, OCUFA represents 17,000 full-time and contract faculty and academic librarians in 28 faculty associations across Ontario. OCUFA proudly supports the province-wide campaign for [\\$15 and Fairness](#). For more information, please visit the OCUFA website at <http://www.ocufa.on.ca>.

For more information, contact Graeme Stewart, Communications Manager at 416 306 6033 (office), 647 280 3175 (mobile), [gstewart@ocufa.on.ca](mailto:gstewart@ocufa.on.ca)

Or

Mark Rosenfeld, Executive Director, 416 306 6030, [mrosenfeld@ocufa.on.ca](mailto:mrosenfeld@ocufa.on.ca)