



**Opening Statement and Proposal  
of the University  
Administration's Representatives  
on the Joint Committee**

**December 17, 2012**

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The University Administration's representatives on the Joint Committee look forward to our Committee's deliberations to determine the remuneration provisions for McMaster University Faculty Association (MUFA) members. We recognize and have great respect for the relationship that MUFA and the Administration have built together, and seek to reinforce it through the conduct of these negotiations. It is our intention to participate in open dialogue, with the objective of a mutually agreeable outcome. This opening brief outlines our view of the context and considerations that pertain to our discussions.

The "*Principles for Negotiation of Faculty Remuneration*" have guided the parties' deliberations over more than a decade. The Administration's representatives accept, as we expect MUFA's representatives do, that the general philosophies regarding remuneration and working conditions continue to be important and relevant guides to our discussions.

It is our strongly held preference that the Committee achieves agreement in direct discussion. Agreements made directly between the members of the Joint Committee are always superior to ones imposed by a third party who is external to the relationship.

Our negotiations will be conducted in the context of McMaster University as the premier research-intensive, student-centered university in Canada. Our concentration on discovery permeates our teaching as well as our research. We are world renowned for our work on pedagogies that enhance learning and particularly for linking discovery and learning. We remain committed to our mission of being a student-centered, research-intensive institution.

In this context, our vision, as formulated by President Patrick Deane's *Forward with Integrity*, can be articulated by the following goals:

- To provide an innovative and stimulating learning environment where students can prosper;
- To achieve the next level in research results and reputation by building on existing and emerging areas of excellence; and,
- To build an inclusive community with a shared purpose.

These goals guide all of our decision-making and are the basis upon which we enter into our discussions. The outcomes agreed to through our discussions must advance these goals.

Discussions about faculty remuneration also cannot be separated from McMaster's financial position. Expenses continue to grow faster than revenues. Like other Ontario universities, McMaster faces significant cost pressures, which force us to make difficult choices in order to continue to invest in the quality of our core academic and research missions.<sup>1</sup> To ensure that we can continue supporting McMaster's reputation as Canada's premier research-intensive, student-centred university, the Joint Committee must be mindful of the fiscal health of the University. Committee members will be aware of the acute level of attention being paid to universities by the provincial government, driven by their fiscal challenges. We have been advised that operating grants have already been designated for two sets of cuts to take effect over the next 2 years (by 1% in 2013/14 and 2% in 2014/15) and there are suggestions that further cuts will be forthcoming. In addition, student advocacy on tuition rates is likely to lead to slower rates of growth in tuition. Finally, research funding has been reduced in some areas and competition is increasing across the board for awards. In combination with consistent expense inflation and escalating pension deficit payments, these revenue pressures will create significant financial pressure on McMaster in years to come.

Given the state of the economy, McMaster's current fiscal situation and the introduction of compensation restraint legislation<sup>2</sup> by the Provincial Government, the University, in its negotiations with collective bargaining agents since 2010, has been seeking modest increases to total compensation over longer term agreements, with at least the first 2 years of no net increases to total compensation. Although the original legislation did not apply to employees who are represented by a trade union, or to organizations that have an established framework for collectively bargaining terms and conditions of employment related to compensation, such as MUFA, the Provincial Government issued a letter (See Appendix 1) to all Universities in 2010 indicating that all collective agreements reached after March 24, 2010, must include 2 years of no net increases to total compensation. That notion was reinforced and augmented by the Provincial Government in July 2012 when it issued a subsequent letter (See Appendix 2) to Universities outlining its expectations that renewal collective agreements contain no net increases to total compensation over the first 2 years, and any period beyond 2 years, and that established grid increases be frozen or offset with commensurate cost savings.

On September 26, 2012, the provincial government introduced, for consultation, draft *Protecting Public Services Act, 2012* legislation which includes restraints on executive compensation and a framework for government review and approval of collective agreements in the Broader Public Sector to ensure agreements are consistent with the province's goal to eliminate the deficit and protect public services. As currently drafted, the legislation would require that the University obtain the government's approval for a mandate for negotiations with MUFA and further, that any negotiated agreement would require government review and approval.

The draft *Protecting Public Services Act, 2012* comprises several schedules<sup>3</sup>.

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<sup>1</sup> Source: McMaster University 2012/13 Consolidated Budget, page 5

<sup>2</sup> The *Public Sector Compensation Restraint to Protect Public Services Act, 2010* (the "Compensation Restraint Act") was introduced in 2010, with effect March 25, 2010. In 2012, the Provincial Government repealed the Compensation Restraint Act and introduced the *Strong Action for Ontario Act (Budget Measures), 2012* ("Bill 55") with effect March 31, 2012. On September 26, 2012, the Provincial Government introduced, for consultation, draft *Protecting Public Services Act, 2012* legislation.

<sup>3</sup> Source: *Protecting Public Services Act, 2012* Summary

Schedule 1 is the *Public Sector Compensation Restraint Act, 2012*.

- This Act applies to prescribed employers and to certain employees and office holders of those employers. It applies to most organizations in the public sector, including municipalities and school boards. Universities are explicitly included.
- Employees or office holders represented by a bargaining organization are excluded. (The definition of a bargaining organization is wide, and includes groups other than unions.)
- This Act establishes a permanent cap on certain employees and office holders (two times Premier's salary).
- The cap would apply to employees or office holders who accept a new position or are appointed to a new position or office.
- The Act also implements a freeze on rate of pay, benefits, perquisites and performance pay for a period of two years from the day the Act comes into force.
- Employers are required to submit compliance reports and anti-avoidance measures are established.
- The Act authorizes Management Board of Cabinet to direct prescribed employers to conduct compensation studies to determine appropriate compensation for positions and offices that may be subject to the permanent salary cap.
- There is a prohibition on any lawsuits arising from implementation of the Act.
- Other Acts are amended and repealed for consistency.

Schedule 2 is called the *Respecting Collective Bargaining Act (Public Sector), 2012*.

- This Act applies to prescribed employers and covers most organizations in the public sector, including universities. (School boards, municipalities, and some municipal boards are exempted.)
- It establishes the authority of a Minister to issue a mandate to each employer or group of employers by sector. Mandates would set out criteria that the government would use to determine if an agreement consistent with the province's goal to eliminate the deficit and protect public services.
- It is not specified which Minister will be responsible for the Act; it would potentially be the Minister of Government Services, or Management Board, or Finance.
- The Act applies to the first collective agreement (new or renewal) of each bargaining relationship subject to the Act, after proclamation. The application of the Act to new or renewal agreements would be terminated, by regulation, no sooner than two years after proclamation and no later than the day that the Province's public accounts show the deficit is eliminated. (As a result, it is possible, if the provincial deficit is eliminated within a few years, that the Act will not impact recent agreements of more than two years).
- New or renewed agreements will not come into operation until they have been confirmed or imposed by the Minister.
- Employers will be required to submit negotiated agreements to the province for review of whether the agreement is consistent with the Province's fiscal goals and its mandate statement. The Minister would be authorized to request further information. Both the employer and the bargaining agent would be permitted to make written submissions to the Minister.
- All agreements must be for a period of two years or more.
- The Minister will determine if the agreement is consistent with the mandate, and each negotiated agreement would not become effective until it is deemed consistent with the mandate by the Minister. If the Minister deems an agreement to be inconsistent with the mandate, s/he may return the agreement for amendment or reject the agreement and begin consultations about the imposition of an agreement. If a decision is not made by the Minister within 40 working days, the collective agreement would be deemed confirmed.

- If an agreement is referred back to the parties, they will have 40 working days to return an amended agreement to the Minister for review. If no amended agreement is provided, the Minister could begin consultations regarding imposition of an agreement.
- If an agreement cannot be reached, the Minister may, after mandatory consultation, impose an agreement.
- There are anti-avoidance measures prohibiting catch-up compensation or alterations to an agreement approved by the Minister.
- Judicial review of decisions under the Act would be restricted and civil actions arising from actions under the Act are barred.

The intention of the government to impose continued compensation restraint is clear. These restraint measures are being introduced because the government believes everyone has to do their share to help eliminate the deficit. As noted in the September 20, 2012 announcement<sup>4</sup>, "The McGuinty government respects the hard work of our public sector employees. These measures are necessary to help us meet our fiscal targets and we are asking everyone to do their share. More than half of government costs go to wages and benefits — this pay freeze would help us protect public services and jobs."

Collegial discussion of common purposes and challenges relies on shared information. We have included references to or copies of relevant documents, and, as in previous rounds of negotiations, undertake to provide any other available information the Committee requires to inform its discussions.

The University Administration's members of the Committee look forward to a full and open discussion of these numbers, trends, and plans as our deliberations ensue. We welcome the input of our faculty leaders to assist in the strategies that will ensure financial viability and sustainability for the University, so that we may continue striving toward our academic and research-oriented goals.

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<sup>4</sup> [http://news.ontario.ca/mof/en/2012/09/capping-executive-compensation-and-freezing-pay-for-public-sector-managers.html?utm\\_source=ondemand&utm\\_medium=email&utm\\_campaign=p](http://news.ontario.ca/mof/en/2012/09/capping-executive-compensation-and-freezing-pay-for-public-sector-managers.html?utm_source=ondemand&utm_medium=email&utm_campaign=p)

## MUFA Representation

### 2011/12 Full-Time Faculty Count

The Office of Institutional Research and Analysis reports that the 2011/12 full-time faculty count was 1377<sup>5</sup>. The chart below provides the faculty distribution by rank:

Rank	Number of Employees
Professor	432
Associate Professor	517
Assistant Professor	409
Lecturer	19
<b>Total</b>	<b>1,377</b>

The number of faculty who are members of MUFA is 941<sup>6</sup>.

In addition there are 6 Librarian positions, which are excluded from the McMaster University Academic Librarians Association bargaining unit. The 6 employees in these positions continue to be members of MUFA, and as such, their remuneration will also be determined through the Joint Committee process.

<sup>5</sup> Including Clinical Faculty, see:

[http://www.mcmaster.ca/avpira/statistics/mcmaster\\_statistics\\_full\\_time\\_faculty\\_by\\_rank\\_2011.html](http://www.mcmaster.ca/avpira/statistics/mcmaster_statistics_full_time_faculty_by_rank_2011.html)

<sup>6</sup> Count extracted from the University's HRIS of current MUFA Faculty, including CAWAR and Special, (not including the 6 Librarian positions) as at October 24, 2012

## Major Areas of Consideration: Brief Overview

As an overview of the major areas of consideration, the University Administration proposes as follows, each of which will be discussed in detail below.

### I: Term

In view of the demands and challenges that lie in the immediate future for the University and its faculty, it is our belief that we will all be best served by the stability and predictability provided by an agreement on matters of remuneration that expires no earlier than June 30, 2015<sup>7</sup>.

### II: Remuneration

In view of current economic conditions, McMaster's financial position and the Provincial Government's desire to freeze compensation plans at their current levels for at least a 2-year period, the University is seeking an agreement whereby all compensation elements remain frozen and/or offset by commensurate cost reductions, including the net cost of faculty CP/M and librarian merit systems. In order to restore cost neutrality to the CP/M process we propose a reduction in the CP/M pool from 3.5% to 3%.

### III: Pension

Pension costs are an area of significant concern for the University. As at July 1, 2011, the *Contributory Pension Plan for Salaried Employees of McMaster University Including McMaster Divinity College 2000* (the "Salaried Pension Plan")<sup>8</sup> is significantly underfunded. The most recent Report on the Actuarial Valuation of the Salaried Pension Plan, as at July 1, 2011<sup>9</sup>, disclosed that the Salaried Pension Plan had a going-concern deficit of \$181,521,000. The valuation was updated as of July 2014. The effect of continuing low interest rates, economic uncertainties globally and revised assumptions is projected to drive the going concern deficit to \$235 million and the solvency deficit to \$533 million by 2014.

In view of the significant pension problem, the University Administration offers the following two options for consideration:

Option 1	Option 2
<ul style="list-style-type: none"> <li>Increased Pension Contributions for Plan Members</li> <li>Closure of the Salaried Pension Plan to New Hires and Group RRSP in lieu</li> </ul>	<ul style="list-style-type: none"> <li>Increased Pension Contributions for Plan Members</li> <li>Removal of "Two Times Contributions" Election for Future Plan Members</li> <li>Modified Criteria for Special Retirement Date</li> </ul>

Details of the elements in each of Option 1 and Option 2 follow.

<sup>7</sup> Current Agreement expires June 30, 2013.

<sup>8</sup> The *Contributory Pension Plan for Salaried Employees of McMaster University Including McMaster Divinity College 2000* is referenced throughout this document as the "Salaried Pension Plan." Currently there are 2 Members of MUFA who are Members of the *Contributory Pension Plan for Salaried Employees of McMaster University Including McMaster Divinity College* (the "Original Salaried Pension Plan"). Any reference to the "Salaried Pension Plan" throughout this document includes reference to both Plan 2000 and the Original Plan.

<sup>9</sup> <http://www.workingatmcmaster.ca/med/document/Plan2000ValuationJul-1-2011-1-40.pdf>

**Option 1 and Option 2 - Increased Pension Contributions for Plan Members**

The University is seeking to increase employee pension contributions for MUFA members enrolled in the Salaried Pension Plan to 7.00% up to YMPE<sup>10</sup> and 10.0% above YMPE. This is a required outcome of Joint Committee negotiations.

**Option 1 - Closure of Salaried Pension Plan to New Hires**

The University proposes the closure of the Salaried Pension Plan to new members and the introduction of a Group RRSP for MUFA members hired after July 1, 2013. The Group RRSP will provide that the University matches employee contributions on a 1:1 ratio at the following rates: 3.5% on base salary up to the YMPE; 7.0% on base salary above YMPE and up to two times the YMPE; and 10.5% on base salary above two times the YMPE.

**Option 2 - Removal of "Two Times Contributions" Election for Future Plan Members**

The University is seeking to remove the "two times contributions" election upon termination of employment of plan members hired after July 1, 2013. This election permits employees whose employment ends prior to retirement to elect to receive a lump sum payment in the amount of two times their contributions to the Salaried Pension Plan, plus interest, for transfer to a locked-in retirement savings arrangement or other pension plan. Upon termination of employment, employees hired after July 1, 2013 will be eligible for the minimum statutory entitlement of the Commuted Value of the employee's entitlement in the Salaried Pension Plan.

**Option 2 - Modified Criteria for Special Retirement Date**

Currently, MUFA members may retire with an unreduced pension upon attaining the Rule of 85, which is attained when the combination of the member's age plus years of participation in the Salaried Pension Plan equals at least 85. Over a 20-year period, the University proposes to transition to Rule of 90 from Rule of 85 and to introduce a minimum age of 62.

**IV: Extended Health and Dental Benefits**

The University is seeking to introduce a drug formulary with mandatory generic drug substitution ("Rx05"). Drug formulary programs are a means to manage drug benefit costs. A summary of the Rx05 drug formulary can be found in Appendix 3. The Rx05 drug formulary will realize modest cost savings while ensuring fairness and equity with other major employee groups on campus who already have migrated to the Rx05 model. A migration to this model also would include corresponding improvements to paramedical coverage over the current MUFA plan design, made available through the cost savings of the Rx05 drug formulary.

The major areas of consideration are discussed in greater detail in the next sections.

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<sup>10</sup> **YMPE** - "Year's Maximum Pensionable Earnings" as set by Canada Revenue Agency annually - currently \$50,100 for 2012; \$51,100 for 2013.



## I: Term

In view of the demands and challenges that lie in the immediate future for the University and its faculty, it is our belief that we will all be best served by the stability and predictability provided by at least a 2-year agreement on matters of remuneration. The University Administration proposes an agreement that would be effective July 1, 2013, and that would expire no earlier than June 30, 2015.

## II: Remuneration

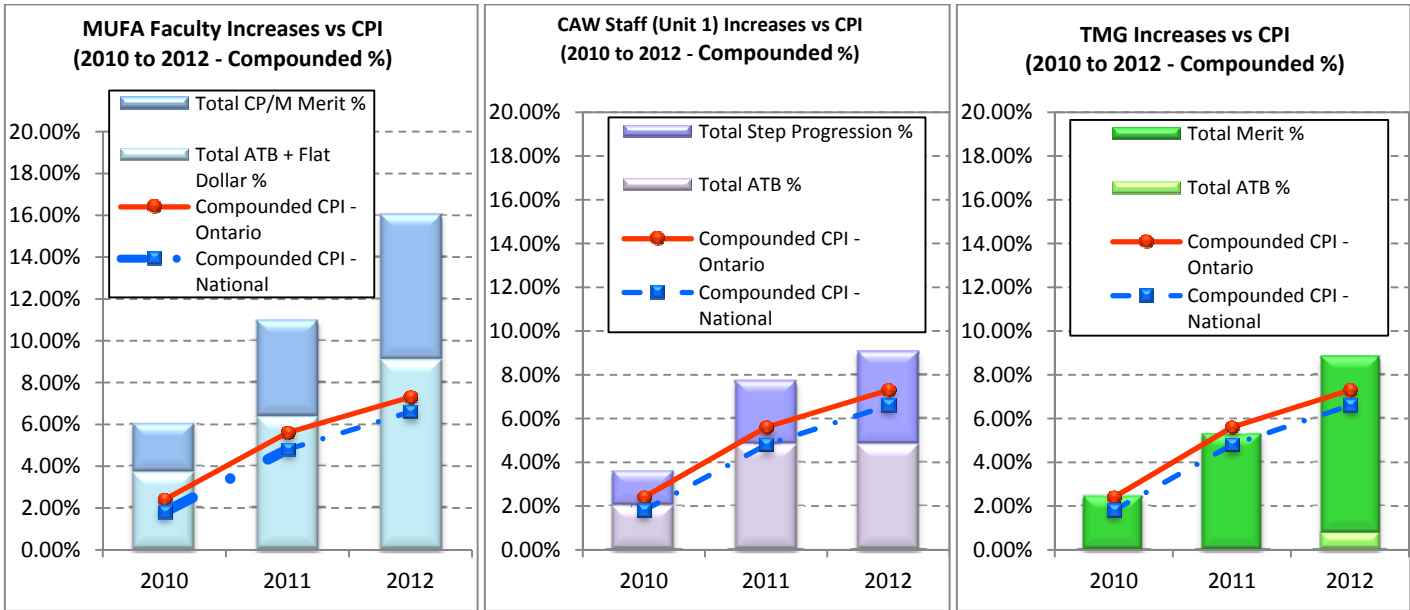
In view of current economic conditions, McMaster's financial position, and the Provincial Government's desire to freeze compensation plans at their current levels for a 2-year period, the University is seeking an agreement whereby all compensation elements remain frozen and/or offset by commensurate cost reductions, including the net cost of faculty CP/M and librarian merit systems.

### CP/M:

The Career Progress / Merit system is designed to be cost neutral. That is, the CP/M pool is to be funded from the savings that accrue when faculty members retire and are replaced by junior faculty at lower salaries. The model underlying CP/M assumes that a faculty member's salary will rise on average by a factor of about 2.5 over a 35 year career, as noted in <http://www.mcmaster.ca/mufa/handbook/cpm.htm>. This is of course in addition to any ATB increases. Over the past few years the university has seen a significant level of salary compression such that in 2011 the average salary at retirement of \$147,900 was about 1.8 times the average starting salary of \$81,700. As a consequence CP/M is no longer cost neutral. In fact over the past 4 years the savings that accrued from retirees (averaging 12 per year) being replaced by junior faculty amounted to only 38% of the cost of CP/M. We recognize however that an adjustment to CP/M should be based not on short term conditions but rather on steady state. Under such conditions we would see 25 faculty members retiring per year. Again using 2011 data this would lead to a savings (assuming all retiring faculty are replaced) of \$1,649,000 as compared to the CP/M cost that year of \$1,928,000. The net cost of CP/M is therefore \$279,000 or about 15% of total CP/M cost. In order to restore cost neutrality to the CP/M process we propose a reduction in the CP/M pool from 3.5% to 3%.

### Wage Increase Environment:

The following charts show the cumulative compounded annual salary increases for MUFA Faculty, CAW Unit 1 (staff), and TMG compared to the increase in the annual Consumer Price Index ("CPI") over the period of 2010 to 2012. The cumulative compounded increase for MUFA Faculty is approximately 16.03%, versus 9.06% for CAW Unit 1 (staff) and 8.84% for TMG. These graphs highlight that MUFA increases have far exceeded the rate of inflation and greatly outpaced the increases of other employee groups at McMaster:



A copy of the last Joint Committee Agreement between McMaster University and MUFA can be found in Appendix 4. In addition, the details of recent settlements for other bargaining units and employee groups at McMaster can be found in Appendix 5. A summary of compensation increases at the University provided before and after the introduction of the Compensation Restraint Act in 2010 is attached in table format as Appendix 6.

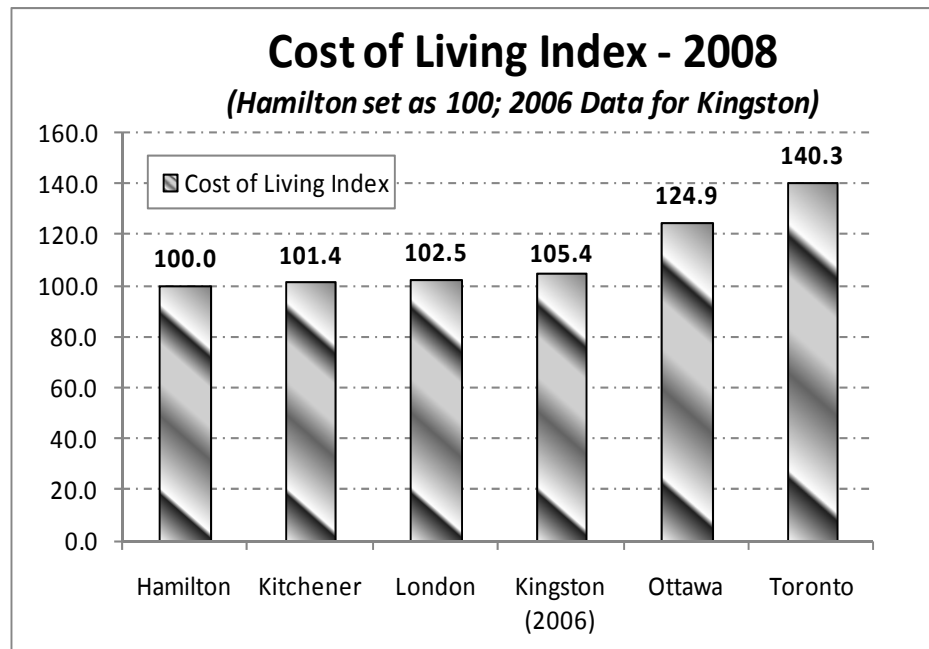
**External Comparative Wage Rates and Increases**

The December 2010 Brief included a cost of living index. As a current update is not available, the 2008 cost of living index is replicated for information. The cost of living index data was obtained through the *Canadian Business Magazine's "The Best Places to do Business in Canada" 2008<sup>11</sup> and 2006<sup>12</sup>*. For the purpose of this comparison, Hamilton was calibrated to a value of 100.

<sup>11</sup> <http://list.canadianbusiness.com/rankings/best-places-to-do-business/2008/intro/Default.aspx?sp2=1&d1=a&sc1=0>

<sup>12</sup> <http://rankings.canadianbusiness.com/bestcitiesforbusiness/list.asp?pageID=list&year=2006>

2006 data was used for Kingston, as 2008 data was not available.



**Source:** *Canadian Business - "The Best Places to do Business in Canada"*

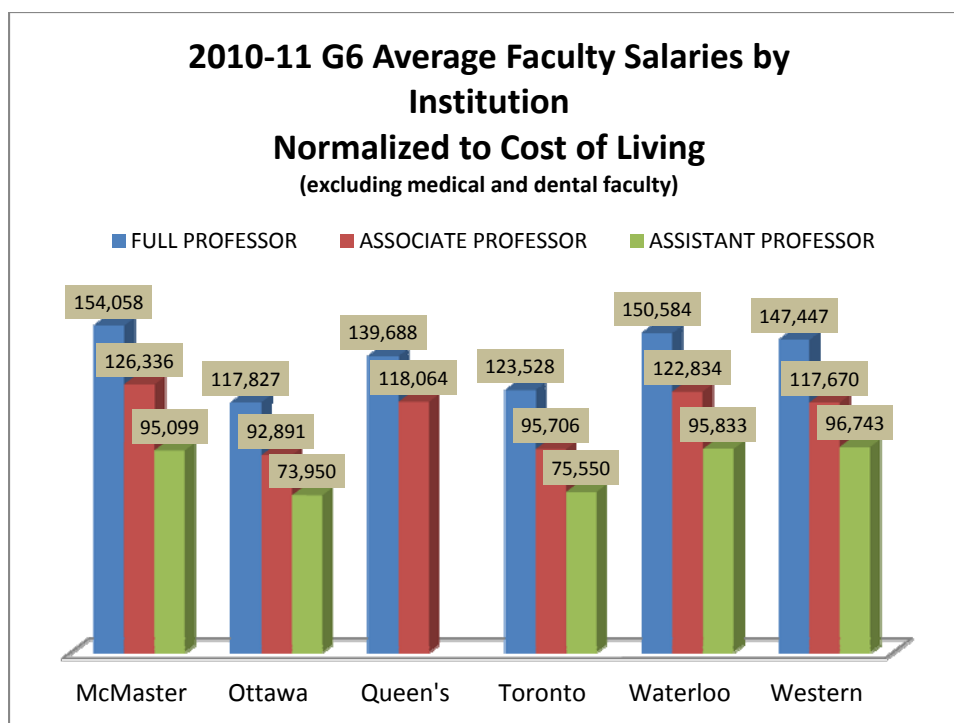
The cost of living allows us to compare our compensation to that of our G-6 peers in terms of purchasing power, assuming that the vast majority of faculty members choose to live near their place of employment.

The chart above highlights the much higher cost of living in Toronto versus Hamilton, Kitchener or London, and that Ottawa has the second highest relative cost of living.

### 2010-11 Faculty Salary Rankings in the G-6

Among our peers in the G6, McMaster faculty salaries for Professors, Associate Professor and Assistant Professors<sup>13</sup> rank very well. By normalizing salary figures by the cost of living in each University's locale, we are thus providing the basis for a more reasoned comparison among peers.

When salaries are normalized for regional cost of living, Full Professors and Associate Professors at McMaster rank 1st in the G6, while Assistant Professors rank 3rd.<sup>14</sup>



### 2010-11 Faculty Salary Rankings in the G-6

Appendix 8 sets out the salary policies, including floors, ceilings, and recent increase provisions, for Faculty at the comparator G6 Universities in Ontario. Appendix 9 sets out the salary policies, including floors, ceilings, and recent increase provisions, for Librarians at comparator Universities across Canada.

Appendix 10 summarizes the G6 faculty salaries for all Full Professors, Associate Professors and Assistant Professors, all ranks combined, excluding medical and dental faculty, normalized for regional cost of living.

Appendix 7 details the G6 faculty salaries, broken down by rank, for Full Professors, Associate Professors and Assistant Professors, excluding medical and dental faculty and normalized for regional cost of living.

<sup>13</sup> These are the only faculty groups for which comparative data is available.

<sup>14</sup> See Appendix 7 for source data

### Consumer Price Index

The national CPI has been trending downwards since the summer of 2011, with the 12-month CPI peaking at 3.7% in May 2011. It has been decreasing steadily since that time, with infrequent increases occurring in August/September 2011 and in January/February 2012. The most recent CPI increase is 1.2% from October 2011 to October 2012.

The 12-month CPI changes in Ontario have been following the downward trend of the National statistics since the early summer of 2011. The peak of 4.0% in May 2011 has trended downwards and remains relatively low at 1.0% in October 2012. The inflationary trends have not been lower in the period under review (to January 2010). CPI percentage changes (year over year) for 2010, 2011 and 2012 (to October 2012) are provided in Appendix 11.

## III: Pension

Pension costs are an area of significant concern for the University. The Salaried Pension Plan has been, and is, suffering from considerable financial challenges, causing the University's minimum required contributions to the Salaried Pension Plan to rise exponentially. The University has made significant progress towards reducing the long-term financial impact of the pension obligation, much of which has been achieved through the collective bargaining process and freely negotiated agreements with the various bargaining agents on campus. The University is very respectful of, and grateful for, the progress that has been made. Unfortunately, more is required. Substantial change with respect to the Salaried Pension Plan is a required outcome of Joint Committee negotiations.

The 2012/13 Consolidated Budget stated the issue succinctly:

Overall the financial health of the University continues to make modest improvements, however there remain significant pressures within the Faculties and other units to present balanced budgets while absorbing the costs of salaries and associated employee benefit plans. Even though there has been some cost management success achieved through labour negotiations, a funding plan for non-pension post-retirement benefits and pension solvency relief provided by the Province, **the current cost of benefits required to be borne by operating departments presents a very significant annual challenge that once again has required staff vacancy strategies and workforce reductions in many areas.** Many Faculties and other units are drawing upon prior year's appropriations to balance current operating costs while considering longer term budget balancing strategies such as new revenue generation and further staff reductions. (Emphasis added)<sup>15</sup>

<sup>15</sup> 2012/13 Consolidated Budget, p. 1. <http://www.mcmaster.ca/bms/pdf/consbud12.pdf>

The current service cost for the 2011/2012 plan year was \$53,007,000, of which \$17,537,000 in contributions was paid by members and the remaining \$35,470,000 was paid by the University. A summary of the University's special payment requirements for the going concern and solvency deficits, as set out on page 19 of the July 1, 2011 Valuation Report, is as follows:

Type of Payment	Start date	End date	Monthly Special Payment	Annual Special Payment
Going concern	July 1, 2007	June 30, 2021	\$594,538	\$7,134,456
Going concern	July 1, 2008	June 30, 2023	\$107,558	\$1,290,696
New going concern	July 1, 2012	June 30, 2027	\$1,031,208	\$12,374,496
New Solvency	July 1, 2011	June 30, 2012	\$197,558	\$2,370,696
<b>Total:</b>				
July 1, 2011 to June 30, 2012			\$899,654	\$10,795,848
July 1, 2012 to June 30, 2013			\$1,733,304	\$20,799,648
July 1, 2013 to June 30, 2014			\$1,733,304	\$20,799,648
July 1, 2014 to June 30, 2015			\$1,733,304	\$20,799,648

These special payments will increase materially based on the July 1, 2011 valuation, should that be the case at the next formal evaluation of the plan in 2014. The University expects its required payments to increase to exceed \$100 million per annum over the next few years by 2017/18, as shown in the following chart that was presented to the Budget Committee on November 14, 2012. The estimated employee contributions in 2017/18 are \$27 million which is approximately 27% of the amount the University will be paying. This is equivalent to 45% of our forecast annual operating grant of \$221.9 million. While this level of charges has been planned within operating budgets, the fact is that Faculties and departments are making very difficult operating decisions in order to fund these payments. They do not have the flexibility to handle increased compensation costs.



<b>Salaried Pension Plan Estimated Financial Position as of July 1, 2014</b>		
	<b>\$ Millions</b>	<b>Funded Ratio</b>
Going Concern Assets	1,329	
Going Concern Liabilities	1,564	
<b>Going Concern Deficit (market value)</b>	<b>(235)</b>	
<b>Going Concern Asset / Liability Ratio</b>		<b>0.85</b>
Solvency Assets	1,344	
Solvency Liability	<b>1,877</b>	
<b>Solvency Deficit</b>	<b>(533)</b>	
<b>Solvency Ratio</b>		<b>0.72</b>

As at July 1, 2011, the current service cost of all Active Member benefit entitlements in the Salaried Pension Plan is 63% funded by the University and 37% by plan members. When taking the 2011/2012 going concern deficit payments into consideration, the ratio increases to 70% funded by the University and 30% by plan members. With respect to MUFA and MUFA Librarian Plan members only, the Salaried Pension Plan is funded 64% by the University and 36% by plan members in terms of current service cost requirements, and 71% / 29% when taking going concern deficit payment requirements into account.

The University was granted Stage 1 "Solvency Funding Relief" by the Province in 2011. That program allows the University to fund the Salaried Pension Plan's solvency deficit over a longer period of time than normally required under the Pension Benefits Act of Ontario. However, even with solvency funding relief, it is estimated that the University will be required to pay a minimum of \$64,000,000/year starting in the 2015/2016 Plan Year, to fund a combination of the Salaried Pension Plan's going concern and solvency deficits. To be eligible for Stage 2, the University must demonstrate that it has adopted changes that will make the Salaried Pension Plan more sustainable in the long term and that substantial progress has been made in meeting savings targets.

While we have made substantial progress towards sustainability with the significant collaboration of plan members, the Provincial Government has stated its expectation that public sector pension plans should be



funded equally by employers and plan members ("50/50 Cost Share"). Achieving 50/50 Cost Share is an expected requirement to obtain Stage 2 Solvency Funding Relief, which is critical for the University as it alleviates annual pressure from the operating budget. In fact, the University has assumed that we will qualify for Stage 2 relief and our operating budget assumptions reflect that position. Should we be denied Stage 2 relief, the operating budget implications are significantly greater and may well be unmanageable.

Whereas member contributions to the Salaried Pension Plan are set during compensation negotiations, the University's contributions are expressed as a multiple of employee contributions, based on a calculation that involves the current service cost<sup>17</sup>, less member contributions, plus any going concern deficit and/or solvency deficit payments that are required. The calculation is dependent on assumptions about years of pensionable service, salary increase levels, pre- and post-retirement mortality, retirement rates, termination rates, long-term bond rates, and the return on pension plan investments.

The employer contribution built into the operating, ancillary and research unit benefit charges for salaried faculty and staff increased from 210%<sup>18</sup> of member contributions in the 2008/09 fiscal year to 240%<sup>19</sup> of member contributions for fiscal year 2009/10 and increased again to 270%<sup>20</sup> of member contributions for fiscal year 2010/11. For the 2012/13 fiscal year, the rate of employer contributions is 295% of member contributions, with an approved increase to 310% in 2013/14.<sup>21</sup> Increases to employer contributions are expected to increase to 325% of member contributions for each of 2014/15 and 2015/16. The increase from 210% in 2008/09 to 325% in 2013/14 is inclusive of the solvency relief measures approved by the Province.

As noted above, Solvency Funding Relief does not eliminate the University's requirements to fund the Salaried Plan's solvency deficit, but rather serves to extend its required payments over a longer period of time. It is anticipated that the University will be required to contribute in excess of \$100 million/year into the pension fund commencing in the 2017/18 Plan Year. This substantial increased cost to the University's operating budget will have a substantial impact on departmental budgets as discussed above.

*Employee groups on campus have made excellent contributions in recent years to tackle the pension deficits. Unfortunately, more is required. Based on the foregoing, status quo cannot be acceptable to the University. Substantial change is needed to address the sustainability of the Salaried Pension Plan, the expected requirement to achieve 50/50 Cost Share in order to secure Stage 2 Solvency Relief, and matters of internal equity at the University.*

<sup>17</sup> The "current service cost" represents the cost of all pension benefits earned by Plan members in a current year, determined by periodic actuarial evaluations.

<sup>18</sup> *Guidelines for Preparation of Operating Budgets for the Fiscal Year 2009/10*  
<http://www.mcmaster.ca/bms/pdf/opguide10.pdf>

<sup>19</sup> *Guidelines for Preparation of Operating Budgets for the Fiscal Year 2010/11, 2011/12 and 2012/13*  
 (<http://www.mcmaster.ca/bms/pdf/opguide11.pdf>)

<sup>20</sup> *Ibid.*

<sup>21</sup> [2012/2013 Consolidated Budget](http://www.mcmaster.ca/bms/pdf/consbud12.pdf), pg 67. <http://www.mcmaster.ca/bms/pdf/consbud12.pdf>

The University Administration is open to hearing the suggestions of MUFA's representatives for achieving those objectives but offers the following two options for consideration:

Option 1	Option 2
<ul style="list-style-type: none"> <li>Increased Pension Contributions for Plan Members</li> <li>Closure of the Salaried Pension Plan to New Hires and Group RRSP in lieu</li> </ul>	<ul style="list-style-type: none"> <li>Increased Pension Contributions for Plan Members</li> <li>Removal of "Two Times Contributions" Election for Future Plan Members</li> <li>Modified Criteria for Special Retirement Date</li> </ul>

***Option 1 and Option 2 - Increased Pension Contributions for Plan Members***

The University is seeking to increase employee pension contributions for MUFA members enrolled in the Salaried Pension Plan to 7.00% up to YMPE and 10.0% above YMPE. This is a required outcome of Joint Committee negotiations. The University is seeking to increase employee pension contributions for MUFA members enrolled in the Salaried Pension Plan as follows:

Effective Date	Pension Contributions on Salary up to YMPE	Pension Contributions on Salary above YMPE
Current	6.50%	8.75%
September 14, 2014	7.00%	10.0%

Increasing employee pension contributions will:

- ameliorate the financial pressures of the Salaried Pension Plan on the University;
- make significant progress towards 50/50 Cost Share; and
- eliminate the disparity between employee contributions paid by MUFA Plan members and those that are scheduled to be paid by other employee groups<sup>22</sup> in the Salaried Pension Plan, as demonstrated in the tables below:

<sup>22</sup> Senior Academic and Administrative Officers (SAAO), employees in the Management Group (TMG) and employees in the CAW Local 555 Unit 1 currently contribute 6.5% of earnings up to the YMPE and 8.75% above the YMPE. The contribution rates for employees in CAW Local 555 Unit 1 are scheduled to increase effective September 14, 2014, to 7% of earnings up to the YMPE and 10.0% above the YMPE.

Effective Date	Pension Contributions on Salary up to YMPE			Pension Contributions on Salary above YMPE		
	MUFA	SAAO & TMG	CAW <sup>23</sup> Staff	MUFA	SAAO & TMG	CAW Staff
January 8, 2012	<b>6.50%</b> (CURRENT)	6.50%	6.50%	<b>8.75%</b> (CURRENT)	8.75%	8.75%
January 6, 2013	↓	6.50%	6.50% or 7.81%	↓	8.75%	8.75% or 10.06%
September 14, 2014		TBD	7.00% or 7.56%		TBD	10.0% or 10.56%
<b>Disparity with CAW Staff without increase in pension contributions</b>	<b>-0.5%</b>	<b>-0.5%</b>		<b>-1.25%</b>	<b>-1.25%</b>	

MUFA members have a significant impact on the Salaried Pension Plan. The recent agreement between McMaster University and CAW, Local 555, Unit 1, Staff provides for an increase in employee pension contributions. The timing and amount of the adjustment will depend on whether CAW elects to maintain Rule of 80 or elects to transition to Rule of 85 beginning May 1, 2014. If the latter, the employee contribution rates will increase to 7% up to the YMPE and 10% above the YMPE effective September 14, 2014. Employee contribution rates for members of MUFA are 6.5% up to the YMPE and 8.75% above the YMPE. Without an increase in employee pension contribution rates effective September 14, 2014, members of MUFA will pay less but will receive the same pension plan provisions as members of CAW, Unit 1, Staff, hired prior to May 1, 2010. The following chart illustrates the difference in employee contributions rates.

<sup>23</sup> The employee pension contribution rate for CAW staff will depend on whether they elect to maintain the Rule of 80 or elect to transition to Rule of 85 beginning May 1, 2014. If they elect to maintain the Rule of 80, CAW staff will pay the higher rate set out in this table to account for the full cost of the difference between Rule of 80 and Rule of 85.

The illustration uses the following assumptions: pension contribution rates effective September 14, 2014; best average earnings of \$85,000; YMPE of \$50,100 for estimated annual pension and total annual employee contribution):

Member	Pension Benefit at Retirement					Employee Pension Contributions				Difference MUFA Member is paying on Identical Pension Benefit
	Best Average Earnings (48 Month Average)	Years of Pensionable Service	Pension Formula up to YMPE	Pension Formula on Salary above YMPE	Estimated Annual Pension at Retirement	Current Pensionable Salary	Contribution on Salary up to the YMPE	Contribution on Salary above YMPE	Total Annual Employee Contributions	
CAW Member (hired before May 1, 2010)	\$85,000	30	1.40%	2.00%	\$41,982	\$85,000	7%	10%	\$6,997	<b>-10.9%</b> <sup>24</sup>
MUFA Member	\$85,000	30	1.40%	2.00%	\$41,982	\$85,000	6.50%	8.75%	\$6,310	

#### **Option 1 - Closure of Salaried Pension Plan to New Hires**

Currently, all members of MUFA are entitled to participate in the Salaried Pension Plan. Given the extreme fluctuations in pension plan funding over the past many years, the University is seeking closure of the Salaried Pension Plan to future enrolment to mitigate future cost uncertainty and to reduce cost. In lieu of participation in the Salaried Pension Plan, the University proposes that faculty who are hired and become MUFA members after July 1, 2013, participate in the University's Group RRSP in accordance with the terms offered to, and accepted by, other employee groups on campus.

The Group RRSP will provide that the University matches employee contributions on a 1:1 ratio at the following rates: 3.5% on base salary up to the YMPE; 7.0% on base salary above YMPE and up to two times the YMPE; and 10.5% on base salary above two times the YMPE, as summarized in Appendix 12.

#### **Option 2 - Removal of "Two Times Contributions" Election for Future Plan Members**

The University is seeking to remove the "two times contributions" election upon termination of employment of plan members hired after July 1, 2013. This election permits employees whose employment ends prior to retirement to elect to receive a lump sum payment in the amount of two times their contributions to the Salaried Pension Plan, plus interest, for transfer to a locked-in retirement savings arrangement or other pension plan. Upon termination of employment, employees hired after July 1, 2013 will be eligible for the minimum statutory entitlement of the Commuted Value of the employee's entitlement in the Salaried Pension Plan.

#### **Option 2 - Modified Criteria for Special Retirement Date**

Currently, MUFA members may retire with an unreduced pension upon attaining the Rule of 85, which is attained when the combination of the member's age plus years of participation in the Salaried Pension Plan

<sup>24</sup> As salaries increase, the difference in contributions becomes larger.

equals at least 85. Over a 20-year period, the University proposes to transition to Rule of 90 from Rule of 85 and to introduce a minimum age of 62. The transition would occur as in the table below:

<b>For Retirement Dates</b>	<b>Age + Plan Participation in the Calendar Year You Retire Must Equal At Least</b>	<b>Minimum Age Requirement</b>
Prior to December 31, 2018	85	None
January 1, 2019 to December 31, 2020	85	55
January 1, 2021 to December 31, 2022	85	56
January 1, 2023 to December 31, 2024	85	57
January 1, 2025 to December 31, 2026	86	58
January 1, 2027 to December 31, 2028	87	59
January 1, 2029 to December 31, 2030	88	60
January 1, 2031 to December 31, 2032	89	61
January 1, 2033 and onwards	90	62

It is noteworthy that even with the implementation of these changes, the University may not reach 50/50 Cost Share of the current service cost. The University will want to revisit the pension plan dynamics in future years in order to ensure that the expected requirements of the grant of solvency relief can be met.

Finally, the provincial government has requested that the university sector consider the establishment of target benefit jointly-sponsored pension plans. Discussions are underway in this regard. As part of the negotiations this year, University Administration would like to explore this concept with MUFA.

#### IV: Extended Health and Dental Benefits

The University is seeking a model for the extended health and dental benefits plans that allows the University to contain costs while achieving the best value from the benefit plan design, ensuring the long term sustainability of the plans, and maintaining fair and equitable benefit plan provisions across the institution. Implementing a drug formulary with mandatory generic drug substitution ("Rx05") is the key item for discussion in this regard.

The Rx05 plan pays for drugs which require a prescription by law as of December 31, 2005, with some exclusions (e.g., fertility drugs, smoking cessation drugs). New generic drugs and line extensions (except for sustained release forms) of eligible brand name drugs are added on a regular basis as they come into the Canadian market. New brand name or single source drugs that are considered to be first line therapy (the recognized standard first choice of treatment for a specific disease) are added three to four times per year.

Other employee groups, including TMG, CAW, and other hourly groups, migrated to the Rx05 drug formulary some time ago. These employees and their dependents continue to enjoy medically required prescription drug coverage at a lower cost. For TMG, CAW, and hourly groups, the move to the Rx05 drug formulary allowed for improvements to the paramedical coverage. For MUFA members, the savings achieved with implementation of the Rx05 formulary, combined with removal of semi-private and private hospital coverage will also allow for the proposed improvements to paramedical coverage. Similarity in plan design improves equity between the groups, improves efficiency and reduces administrative costs.

The University therefore proposes a migration to the Rx05 drug formulary, removal of semi-private and private hospital coverage, with corresponding improvements to paramedical coverage effective July 1, 2013, as follows:

- Implement a managed drug formulary (Rx05) with generic drug substitution for all health plan members effective July 1, 2013.
- Paramedical benefits to be increased to **\$500** per practitioner class per benefit year, with no per visit maximum. Massage therapy will no longer require a doctor's note.
- Semi-private and private hospital coverage to be removed from the plan design. (OHIP provided Ward coverage remains available.)

These proposed changes are summarized in more detail in the chart below:

	<b>MUFA Members – CURRENT</b>	<b>PROPOSED BENEFIT PLAN REVISION</b>
<b>Eye Exams</b>	\$100 per employee every 24 months	No Change
<b>Drug Formulary</b>	Basic Formulary	Rx05
<b>Paramedicals: Physiotherapists, Chiropractors, Podiatrists, Chiropodists, Naturopaths, Psychiatrists and Christian Science Practitioners</b>	\$300 per person per practitioner class each benefit year. No per visit maximum.	\$500 per person per practitioner class each benefit year. No per visit maximum.
<b>Paramedicals: Massage Therapy</b>	\$300 per person each benefit year. No per visit maximum. Doctor's note required.	\$500 per person each benefit year. No per visit maximum. No referral required.
<b>Paramedicals: Speech Therapists</b>	\$200 per person each benefit year. No per visit maximum.	\$500 per person each benefit year. No per visit maximum.
<b>Hospital Coverage</b>	Difference between ward and semi-private to a max. of \$110/day. Where costs exceed \$300/person/year out of pocket expenses beyond \$300 reimbursed at 100%. \$10/day per person for private room.	Standard OHIP Coverage
<b>Dental: Major Restorative</b>	70% of eligible expenses, up to a maximum of \$2,500 per person for each benefit year.	No Change
<b>Out-of-Province, Out-of Country (Blue Cross)</b>	\$1,000,000 lifetime coverage (100% of eligible expenses). Limited to 120 days per visit.	No Change

**Extended Health and Dental Benefits Costs**

The current costs of extended health and dental benefits are summarized below.

*Extended Health Claims from July 1, 2010 to June 30, 2012 (MUFA members only):*

July 1, 2010 – June 30, 2011			July 1, 2011 – June 30, 2012		
Active	Retired	Total	Active	Retired	Total
\$1,362,731.62	\$828,773.57	\$2,191,505.19	\$1,463,068.03	\$898,991.55	\$2,362,059.58

*Dental Claims from July 1, 2010 to June 30, 2012 (MUFA members only):*

July 1, 2010 – June 30, 2011			July 1, 2011 – June 30, 2012		
Active	Retired	Total	Active	Retired	Total
\$1,082,480.69	\$533,426.88	\$1,615,907.57	\$1,142,488.19	\$577,520.95	\$1,720,009.14

For the period July 1, 2011 to June 30, 2012 “drugs” represent 76.32% of the total expenditure within the extended health plan design for MUFA members and retirees. Active MUFA members account for 46.73% of this cost and retirees account for 29.58% of the total cost. For the same period, July 1, 2011 to June 30, 2012, drugs for active MUFA members represent 75.60% of the total cost of their extended health care claims.



**Ministry of Training,  
Colleges and Universities**

**Ministère de la Formation et des  
Collèges et Universités**



Deputy Minister

Sous-ministre

Mowat Block  
Queen's Park  
Toronto ON M7A 1L2  
Telephone (416) 314-9244  
Facsimile (416) 314-7117

Édifice Mowat  
Queen's Park  
Toronto ON M7A 1L2  
Téléphone (416) 314-9244  
Télécopieur (416) 314-7117

**MEMORANDUM TO:** Presidents of Colleges of Applied Arts and Technology;  
Executive Heads of Ontario Universities, Hearst, OCAD,  
NOSM, and Dominican College

**CC:** Colleges Ontario  
Council of Ontario Universities

**DATE:** March 26, 2010

**FROM:** Deborah Newman  
Deputy Minister,  
Ministry of Training, Colleges and Universities

**SUBJECT:** Public Sector Compensation Restraint

---

On March 25, 2010, the Ontario government introduced the *Public Sector Compensation Restraint to Protect Public Services Act, 2010*. The legislation, if passed, would freeze compensation plans for all non-bargaining employees.

The objective of the legislation is to control costs in one of the government's largest spending lines – compensation of public sector employees. This will help redirect up to \$750 million toward sustaining schools, hospitals, colleges and universities, and other public services.

For employees represented by a bargaining agent, the government will respect all current collective agreements. When these agreements expire and new ones are negotiated, the government will work with transfer payment partners and bargaining agents to seek agreements of at least two years duration that do not include net compensation increases.

The government's fiscal plan provides no funding for compensation increases for future collective agreements.

Ontarians value and appreciate those who deliver their public services, and they also expect those who are paid by tax dollars to do their part to help protect public services. As a recipient of public funds, your organization has an obligation to ensure that the public funds provide value for money and are spent prudently, in a manner that is consistent with the program mandate and funding agreement with the Province.

To ensure your organization is prepared, I ask you to please share this letter with the appropriate staff in your organization. More information on the government's compensation restraint can be found at [www.Ontario.ca/compensation](http://www.Ontario.ca/compensation) in English or [www.Ontario.ca/remuneration](http://www.Ontario.ca/remuneration) for French.

Your leadership is essential to assist the province in demonstrating a prudent and balanced approach in the management of public funds. Thank you.

Sincerely,

A handwritten signature in black ink, appearing to read 'D. Newman', written in a cursive style.

Deborah Newman  
Deputy Minister

**RECEIVED**

Appendix 2  
JUL 16 2012

McMaster University  
OFFICE OF THE PRESIDENT

**presdnt**

**From:** Postsecondary Accountability (TCU) <PostsecondaryAccountability@ontario.ca>  
**Sent:** July-16-12 2:01 PM  
**To:** Max Blouw; presidents\_office@carleton.ca; Mamdouh Shoukri; jack.lightstone@brocku.ca; Richard Myers; president@utoronto.ca; president@uoguelph.ca; Daniel Woolf; Sarah McKinnon; president@uOttawa.ca; pres@ryerson.ca; Pierre Ouellette; President@laurentian.ca; presdnt@mcmaster.ca; Amit Chakma; Tim McTiernan; Brian Stevenson; Vicky Paine-Mantha; Alan Wildeman; president@uwaterloo.ca; Dr. Steven Franklin; president@collegedominicain.ca; Roger.strasser@nosm.ca  
**Cc:** Bonnie Patterson; Lisa Krawiec  
**Subject:** Broader Public Sector Compensation  
**Attachments:** Minister's letter-English.pdf

**Attached is a letter from Minister of Finance Dwight Duncan that is being sent to broader public sector employers in Ontario. This letter provides additional and important information on the Provincial Compensation Framework which was announced in the 2012 Ontario Budget.**

**This letter is being sent to all non-municipal employers, but does include municipal long-term care and public health units.**

**Specifically, the attached letter communicates the government's clear expectations around the management of compensation in the broader public sector in Ontario.**

**This is consistent with the approach the government is taking with its teachers and doctors.**

**More information on the direction in this letter is available on the Ministry of Finance's website: [www.fin.gov.on.ca](http://www.fin.gov.on.ca).**

**Original signed by  
Deborah Newman**



7<sup>th</sup> Floor, Frost Building South  
7 Queen's Park Crescent  
Toronto ON M7A 1Y7  
Telephone: 416 325-0400  
Facsimile: 416 325-0374

7<sup>e</sup> étage, Édifice Frost Sud  
7 Queen's Park Crescent  
Toronto ON M7A 1Y7  
Téléphone : 416 325-0400  
Télécopieur : 416 325-0374

**To: BPS Employers**

**RE: Provincial Compensation Framework**

In March, when I tabled the 2012 Budget, Strong Action for Ontario, I laid out a plan to keep Ontario on track to balance the budget by 2017-18. I indicated then that eliminating the deficit was the single most important step the government could take to grow our economy, and protect and create jobs. I said the government was committed to getting its fiscal house in order while protecting the services that matter most to Ontarians: health care and education.

That strong action includes a plan to transform the broader public sector (BPS).

Our partners in the BPS play critical roles in providing services to Ontarians and the McGuinty government has always valued, and will continue to value that work. Compensation for the BPS accounts for more than 50 per cent of all Ontario government spending.

The government is asking all Ontarians to do their part in returning the budget to balance.

As you know, we have asked teachers and doctors to hit the pause button for two years. And now we are asking others in the BPS to do the same.

To meet the government's fiscal targets, the fiscal plan provides no funding for incremental compensation increases for new collective agreements.

The government respects the collective bargaining process and will leave existing agreements intact. The government will also insist that its partners continue providing high-quality health care, education and other key public services to Ontario families.

.../cont'd

Ontario is expecting its bargaining partners to meet the following criteria:

- For two years, collective agreements should not allow for increases in compensation. This includes wages, performance pay and benefits. Any movement through an established grid must be fully offset from within the total compensation package. Should parties wish to enter contracts of more than two years, those contracts should contain no increases in compensation during the additional period.
- The *Broader Public Sector Accountability Act, 2010*, implements compensation restraint measures for designated executives at hospitals, universities, colleges, school boards and designated organizations. The restraint measures are effective March 31, 2012, and are in place until the province ceases to have a deficit.
- Decisions related to compensation for non-executives who are not governed by collective agreements should live within fiscal targets.

These criteria are consistent with the approach the government is taking with teachers' compensation and doctors' fee for service arrangements.

In addition, there should be no agreement to terms that impose longer-term costs or restrictions on service delivery.

You, as an employer, are expected to share these parameters with your bargaining agents. The McGuinty government believes being transparent about our expectations will support the collective bargaining process and good-faith bargaining.

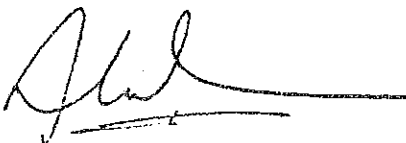
As the 2012 Budget states, where agreements cannot be reached that are consistent with the government's plan to eliminate the deficit, the government is prepared to propose necessary administrative and legislative measures.

In addition, the 2012 Ontario Budget announced a number of initiatives intended to improve the sustainability, affordability and efficiency of pension plans in the Broader Public Sector. The government is currently conducting consultations on the affordability and sustainability of public sector pension plans.

Ontario is facing some challenges. Strong action is required to eliminate the deficit, protect jobs and encourage the creation of new jobs as well as economic growth.

I know I speak for my Cabinet colleagues when I say that we appreciate everything that all parties are doing to help move Ontario forward.

Sincerely,

A handwritten signature in black ink, appearing to read 'Duncan', with a horizontal line underneath.

Dwight Duncan  
Deputy Premier  
Minister of Finance

## Rx05 Drug Formulary Summary

### Managed Formulary Design - Rx05

Sun Life Financial and Emergis (the pay direct drug card administrator) offer a variety of managed formulary prescription drug plan designs.

### Rx05 Defined

The Rx05 plan pays for drugs which require a prescription by law as of December 31, 2005 with some exclusions (e.g., fertility drugs, smoking cessation drugs). New generic drugs and line extensions (except for sustained release forms) of eligible brand name drugs are added on a regular basis as they come into the Canadian market. New brand name or single source drugs that are considered to be first line therapy (the recognized standard first choice of treatment for a specific disease) are added three to four times per year. Mandatory generic substitution will be implemented with the formulary.

### Mandatory Generic Drug Substitution

While Ontario already requires generic drug substitution, the drug formulary will require mandatory generic substitution where a generic equivalent exists. Where the employee does not accept the generic drug, and purchases the brand name drug, the extended health plan will only reimburse the cost of the generic drug. Generic drugs are clinically identical to the counterpart brand name drug, with the same active ingredients. There is no difference in the quality, purity, effectiveness or safety between the generic and brand. Generic drugs usually come to the market once the patent on the brand name drug expires, and as approved by Health Canada. Generics will be added to the plan formulary as they become available.

### Adding New Brand Name Drugs to the Rx05 Plan Design

Once a new drug is approved by Health Canada, the Emergis pharmacy team, along with an independent review body, evaluates the new drug for its medical and cost efficacy. Where clinical evidence supports that the new drug is medically beneficial as a first line treatment, that drug will be added to the plan design. New drugs added to the National Formulary will be added to the Rx05 formulary.

### What are the primary differences between the current drug formulary and Rx05?

Rx05 is very similar to the current plan design. Exclusions under Rx05 include Xenical for weight loss, erectile dysfunction, and fertility drugs. Diagnostic equipment (i.e. glucometers) and extension devices (i.e. aerochambers) will be covered effective July 1st, 2007, but will be separated from the Drug Plan requiring the submission of paper claims.

**Between**  
**McMASTER UNIVERSITY (the “Administration”)**  
**-- and --**  
**McMASTER UNIVERSITY FACULTY ASSOCIATION (the “Association”)**  
**Memorandum of Settlement**

## Joint Committee Agreement

**1. Term: Duration of Agreement** July 1, 2011 to June 30, 2013

**2. Career Progress/Merit (CP/M):**

The current Career Progress/Merit Scheme with 120 par units per 100 faculty will be maintained.

**3. Child Care Support:**

The establishment of a committee with representation from the Administration and all employee groups to study the required expansion in day care spaces as well as the required licensing to accommodate children from birth to 18 months old.

**4. Group Life Insurance**

The optional employee-paid group life insurance coverage (above the employer-paid benefit coverage of \$175,000) will be increased from \$500,000 to \$1,000,000.

**5. Across the board increase to all salaries as follows:**

Effective July 2, 2011: \$2,000

Effective July 1, 2012: \$2,000

**6. Employee Pension Contribution Increase:**

Effective July 2, 2011: 5.75% up to YMPE, and 7.65% above YMPE

Effective July 1, 2012: 6.5% up to YMPE, and 8.75% above YMPE

**7. Offset:**

Effective July 2, 2011, a 1.0% salary increase on the salary in effect as of June 30, 2011.

Effective July 1, 2012, a further 1.0% salary increase on the salary in effect as of June 30, 2012.

8. Adjustments to salary pursuant to paragraphs 5 and 7 apply to all salaries, and to all **salary floors and break points in the CP/M scheme.**

9. Employees retiring on or after July 1, 2012 will contribute towards their **post-retirement benefits** on the following terms:

<b>Years of Service</b>	<b>% of yearly cost paid by retiree</b>	<b>% of yearly cost paid by employer</b>
25 or higher	25%	75%
20 or more but less than 25	50%	50%
10 or more but less than 20	75%	25%

The yearly cost of post-retirement benefits will be calculated by the administration in the Fall of each year, to be effective the following May 1. Calculation information will be shared with the Association through the Joint Committee prior to the setting of the May rate, and any unresolved dispute over information or the calculation will be resolved in accordance with the faculty general grievance procedure.

10. The negotiating teams agree to unanimously recommend this settlement to their principals for approval. Both parties will complete the ratification process on expeditious basis.

11. The parties agree that failing ratification, the parties are bound by their positions tabled with Kevin Burkett on March 23, 2011, and he has full jurisdiction to resolve the matters in dispute in accordance with the parties' final offer selection process. It is agreed that the Selector will not take into account any unratified settlement, or the positions taken during mediation.

12. The parties agree that if the memorandum is ratified, Kevin Burkett will remain seized to deal with any issues arising in its implementation, and will proceed in a summary and expedited fashion, including having the authority to proceed by way of conference call.

**FOR THE ASSOCIATION**

Mignia Aron  
Peter G. Sathel  
John Aron

**FOR THE EMPLOYER**

Gene Busch-Victoria  
EDD  
Pranam



### Other Bargaining Units and Employee Groups on Campus

In the period 2007 through to 2012, settlements were reached with the groups noted in the following tables which summarize the outcomes of those settlements:

#### Summary of Contract Term, 2-Year Compensation Freeze, Pension, Benefits and Post-Retirement Benefits ("PRB")

	<b>Agreements Obtained After March 24, 2010 (Compensation Restraint Act)</b>										<b>Agreements Before March 24, 2010</b>	
	<b>CAW Unit 1 - Office &amp; Tech'l Staff</b>	<b>CUPE – Teaching Assistants</b>	<b>CUPE – Post-doctoral Fellows</b>	<b>CAW Unit 4 – Security Services</b>	<b>MUFA</b>	<b>SEIU – Machinists</b>	<b>MUALA</b>	<b>SEIU – Hosp. Services</b>	<b>SEIU – O&amp;M and Cas Clnrs</b>	<b>CUPE – Sessional Faculty</b>	<b>CAW Unit 3 – Parking</b>	<b>IUOE – Operating Engineers</b>
Term	3 years, 8 months	5 years	5 years	5 years, 2 months	2 years	5 years	5 years	5 years, 4 months	5 years	3 years	4 years, 6 months	4 years, 2 months
End Date	April 30, 2016	Aug. 31, 2016	Aug. 31, 2016	August 31, 2015	June 30, 2013	Sept. 30, 2015	July 31, 2015	April 30, 2016	Sept. 30, 2015	April 30, 2013	Sept. 15, 2014	April 30, 2014
2-Year Total Comp Freeze	Yes^ (End Rate)	Yes^ (End Rate)	Yes^ (End Rate)	Yes^ (End Rate)	No	Yes (All SEIU)	Yes	Yes (All SEIU)	Yes (All SEIU)	Yes	N/A	N/A
Group RRSOP or DB Design Change	DB Design Chg (already obtained)	N/A	N/A	GRRSP (already obtained)	No	GRRSP (already obtained)	Group RRSOP	GRRSP (already obtained)	GRRSP (already obtained)	N/A	Group RRSOP	GRRSP (already obtained)
DB RPP Ctrb. Rate Increase	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	N/A	Yes	Yes
PRB Co-Pay	Already Exists	N/A	N/A	Yes	Yes*	Yes	Yes	Yes	Yes	N/A	Yes	Yes
Rx05 Drug Formulary -Active	Already Exists	N/A	Yes	Yes-via CAW Unit 1	No	Yes	Yes	Yes	Yes	N/A	Yes-via CAW Unit 1	Yes (exists)
Rx05 Drug Formulary -Retiree	Yes	N/A	N/A	No	No	No	No	No	No	No	No	Yes
Unpd Sick Leave	No	N/A	N/A	Yes	No	3-days	No	3-days	3-days	N/A	No	No
Active Benefits Co-Pay	No	N/A	No	No	No	No	No	Yes	Yes (lesser-skilled EE's)	N/A	No	No
Reduce Personal Day & Vac'n	No	N/A	No	No	N/A	No	No	Yes	Yes (lesser-skilled EE's)	N/A	No	No
Paramedical Increases	Social Worker	N/A	No	Yes-via CAW Unit 1	No	No	Yes	No	No	N/A	Yes-via CAW Unit 1	No
Vision Care Increases	No	N/A	No	No	No	Yes	Yes	No	No	N/A	No	Yes
Dental Implants	Already Exists	N/A	No	Yes-via CAW Unit 1	Already Exists	No	Already Exists	No	No	N/A	Yes-via CAW Unit 1	Yes

\*The MUFA PRB Co-Pay program is based on a different schedule than that of other Groups that have negotiated the Co-Pay Program ATB and Lump Sum Information

^ On an End Rate basis only the Agreements achieved net 0% increases; however lump sum payments were made within the 2 year freeze period – see following chart

**Agreements Obtained After March 24, 2010** (Compensation Restraint Act)ATB and Lump Sum Information

<b><u>Agreements Obtained After March 24, 2010</u></b> (Compensation Restraint Act)							
	<b>CAW Unit 1 - Office &amp; Technical Staff</b>	<b>CAW Unit 4 – Security Services</b>	<b>CUPE – Teaching Assistants</b>	<b>CUPE – Postdoc Fellows</b>	<b>CUPE – Sessional Faculty</b>	<b>MUFA</b>	<b>MUALA (Levels II, III &amp; IV)</b>
Year 1 ATB	0%	0% (1% ATB for end of shift prems)	0%	0%	0%	\$2,000 flat rate + 1.0%	0%
Year 1 Lump Sum	None	\$1500 (FT) \$900 (PT)	Class A: \$200 Class B: \$150	\$400	None	None	None
Year 2 ATB	0%	0%	0%	0%	0%	\$2,000 flat rate + 1.0%	0%
Year 2 Lump Sum	None	None	Class A: \$200 Class B: \$150	\$400	None	None	None
Year 3 ATB	1.5%	2.5%	A: 2% B: 2.5%	5% to Floors	3% **	N/A	1.7%
Year 3 Lump Sum	FT: \$300 PT: \$200	Calculated on Pension Ctrb Incr. Amt	None	\$400	None	N/A	None
Year 4 ATB	1.5%	2.75%	A: 2% B: 2.65%	2% to Floors	N/A	N/A	1.7%
Year 4 Lump Sum	None	None	None	\$400	N/A	N/A	None
Year 5 ATB	N/A	N/A	A: 2% B: 3%	2% to Floors	N/A	N/A	None
Year 5 Lump Sum	N/A	N/A	None	\$400	N/A	N/A	None
Year 6 ATB	N/A	N/A	None	N/A	N/A	N/A	N/A

\*Hospitality Services Lump Sum Payments are pro-rated for Seasonal Employees

\*\* CUPE Sessional Faculty 3% increase applies to the increase in the minimum rate of pay, the aggregate seniority minimum rate of pay and the hourly music instructors

**Agreements Obtained Before March 24, 2010 (Compensation Restraint Act)**

<b>Agreements Obtained After March 24, 2010 (con't)</b>							<b>Agreements Obtained Before March 24, 2010</b>		
	<b>SEIU – Machinists</b>	<b>SEIU – Hosp. Services (excl PT Satellite)</b>	<b>SEIU – Hosp. Services (Bistro &amp; PT Satellites)</b>	<b>SEIU – O&amp;M (Skilled Trades only)</b>	<b>SEIU – O&amp;M (Lesser Skilled Trades, excl. all Cleaners)</b>	<b>SEIU – O&amp;M (Cleaners &amp; Casual Cleaners only)</b>	<b>CAW Unit 3 – Parking &amp; Transit (FT EE's)</b>	<b>CAW Unit 3 – Parking &amp; Transit (PT EE's) SL = Shift Leader PCO = Parking Control Officer</b>	<b>IUOE – Operating Engineers</b>
Year 1 ATB	#1: Avg of 2.55% #2: Avg of 1.71%	0%	0%	#1: 2.0% #2: 1.75%	0%	0%	0%	2.83% for PT SL and 1.95% for PT PCO	2.0%
Year 1 Lump Sum	\$1,000	\$1000 (FT); \$600 (PT)*	\$600*	\$1,750	\$1,000	\$1,000 (Cleaners only)	\$1,325 to FT PCO	2.00% of wages btwn Mar-22-09 and Mar-20-10	\$1,750
Year 2 ATB	#1: Avg of 1.24% #2: Avg of 1.69%	0%	0%	#1: 1.25% #2: 1.75%	0%	0%	#1: 1% #2: 1%	2.92% for PT SL and 3.18% for PT PCO	#1: 1.75% #2: 1.25%
Year 2 Lump Sum	None	None	None	None	None	None	None	None	None
Year 3 ATB	Avg of 2.04%	0%	Varied: 3.45% to 3.58%	1.75%	0%	3.69%	#1: 1% #2: 1%	#1: 0.81% for PT SL and 0.88% for PT PCO #2: 0.8% for PT SL and 0.87% for PT PCO	#1: 1.75% #2: 1.75%
Year 3 Lump Sum	None	Calculated on Pension Ctrb Incr. Amt	None	\$125	LS 1: \$125 LS 2: \$1,808	None	None	None	\$125
Year 4 ATB	Avg of 2.87%	0%	Varied: 1.74% to 1.78%	2.5%	0%	1.85%	0.98% for FT SL and 0.97% for FT PCO	3.59% for PT SL and 3.9% for PT PCO	2.5%
Year 4 Lump Sum	None			None	None	None	\$750 to FT PCO	None	None
Year 5 ATB	Avg of 3.24%	0%	Varied: 1.71% to 1.77%	3.0%	0%	1.82%	7.2% for FT SL	9.62% for PT SL and 0.83% for PT PCO	None
Year 5 Lump Sum	None	Calculated on Pension Ctrb Incr. Amt	None	None	\$536	None	None	None	None
	N/A	Varied: 2.63% to 2.77%	Varied: 1.68% to 1.74%	N/A	N/A	N/A			

The information listed throughout this Appendix is intended to be a summary only. Specific details in some or all collective agreements may not appear in these summaries. Please contact Human Resources Services for a complete summary of the information contained in the relevant Collective Agreements.

## Salaries of Full-time Teaching Staff at G6 Universities, 2006/07-2010/11 (Normalized)

## All Staff excluding medical/dental

## FULL PROFESSOR

Institution	2006-2007					2007-2008					2008-2009					2009-2010					2010-2011				
	Count	Average	MEDIAN	Percentile		Count	Average	MEDIAN	Percentile		Count	Average	MEDIAN	Percentile		Count	Average	MEDIAN	Percentile		Count	Average	MEDIAN	Percentile	
				10th	90th				10th	90th				10th	90th				10th	90th				10th	90th
McMaster	269	127,724	127,246	108,513	147,359	265	134,953	134,322	114,166	157,553	255	141,834	140,111	120,664	167,017	271	147,643	145,137	126,694	172,198	279	154,058	151,804	133,300	178,951
Ottawa	294	98,602	97,846	87,285	110,137	297	104,017	103,200	92,434	114,102	305	104,986	104,533	93,570	114,102	327	113,422	113,395	100,350	122,682	341	117,827	117,656	103,214	126,371
Queen's	249	117,844	116,318	98,836	137,699	266	122,765	120,701	102,120	145,368	276	128,906	126,040	108,538	151,650	278	134,521	131,101	112,703	157,830	288	139,688	136,238	119,121	164,470
Toronto	688	107,032	102,170	87,616	132,641	707	111,749	106,689	91,113	137,667	743	116,665	111,028	95,052	143,528	759	119,404	114,089	97,801	146,704	760	123,528	117,936	101,420	151,591
Waterloo	304	131,276	129,908	113,917	148,874	327	136,576	135,831	118,671	155,654	334	143,812	142,135	124,272	163,270	346	148,836	148,215	128,498	170,295	365	150,584	150,044	130,194	171,633
Western	263	124,437	118,176	103,140	153,870	273	131,773	125,800	108,752	162,836	284	139,376	131,768	114,525	175,908	294	145,459	136,041	119,949	185,602	291	147,447	137,995	120,713	189,137

## ASSOCIATE PROFESSOR

Institution	2006-2007					2007-2008					2008-2009					2009-2010					2010-2011				
	Count	Average	MEDIAN	Percentile		Count	Average	MEDIAN	Percentile		Count	Average	MEDIAN	Percentile		Count	Average	MEDIAN	Percentile		Count	Average	MEDIAN	Percentile	
				10th	90th				10th	90th				10th	90th				10th	90th				10th	90th
McMaster	215	104,574	104,641	86,988	122,599	247	108,733	108,730	88,161	128,431	246	115,467	115,240	94,125	136,719	263	120,697	120,439	99,529	142,315	265	126,336	126,317	104,224	148,457
Ottawa	288	80,290	79,392	71,350	91,244	320	83,473	82,679	73,358	94,529	349	84,286	83,343	73,046	94,529	390	89,591	89,040	78,706	101,638	421	92,891	92,226	82,077	104,694
Queen's	240	99,175	97,166	84,916	115,388	257	103,175	101,089	87,410	120,305	262	107,501	105,692	91,360	123,456	277	112,654	111,350	94,137	128,720	274	118,064	117,519	99,067	133,748
Toronto	561	84,886	82,367	68,038	102,126	574	87,646	84,879	69,165	106,723	617	91,011	88,089	71,433	109,613	625	92,900	89,572	73,903	112,679	639	95,706	91,789	76,950	114,527
Waterloo	323	107,403	107,158	86,789	127,791	302	111,521	110,761	90,457	134,060	310	117,018	116,883	94,934	139,509	317	122,130	122,087	99,177	145,658	321	122,834	122,703	100,011	146,688
Western	335	104,186	98,137	84,532	132,592	340	109,926	104,032	87,682	140,003	357	114,179	107,268	90,439	145,558	360	117,133	110,263	92,510	146,585	385	117,670	111,080	92,625	147,259

## ASSISTANT PROFESSOR

Institution	2006-2007					2007-2008					2008-2009					2009-2010					2010-2011				
	Count	Average	MEDIAN	Percentile		Count	Average	MEDIAN	Percentile		Count	Average	MEDIAN	Percentile		Count	Average	MEDIAN	Percentile		Count	Average	MEDIAN	Percentile	
				10th	90th				10th	90th				10th	90th				10th	90th				10th	90th
McMaster	227	83,041	84,051	58,977	104,105	201	87,957	87,303	61,006	114,207	198	90,428	90,525	63,237	116,604	196	92,538	89,520	65,646	121,698	189	95,099	90,847	66,540	127,120
Ottawa	307	62,710	63,126	53,600	70,226	348	65,914	66,074	56,178	74,710	355	66,946	66,886	55,850	76,328	345	71,578	71,578	60,822	82,165	310	73,950	74,317	63,355	84,918
Queen's	197	85,285	x	x	x	179	90,193	84,855	71,028	116,822	160	95,192	x	x	x	147	x	x	x	x	132	x	x	x	x
Toronto	474	67,256	62,645	51,361	91,109	481	69,464	65,296	49,787	94,777	469	71,598	67,223	51,064	95,669	442	73,894	68,545	55,196	100,468	412	75,550	70,285	56,481	102,148
Waterloo	232	83,181	82,956	64,935	101,613	226	86,620	85,015	67,327	106,305	242	90,991	89,381	70,994	111,353	232	93,751	93,399	74,707	116,112	231	95,833	95,419	76,206	118,754
Western	298	x	x	x	x	313	82,201	78,431	66,594	98,412	294	86,977	81,925	69,310	101,680	279	90,623	85,883	73,757	106,238	251	96,743	88,638	74,360	143,927

Note: Report does not show the count of 'teaching staff excluded' as in the Salaries of full-time teaching staff at Canadian universities and colleges

Source: Statistics Canada

Source for cost of living: Canadian Business Magazine, 2008

PREPARED BY THE OFFICE OF INSTITUTIONAL RESEARCH AND ANALYSIS

UPDATED DATE: NOV. 7, 2012

## FACULTY Salary Policy - Salary Structure and Description of Salary Increases by Institution - Summary as of October 3, 2012

Name of Institution	Effective Date	Union Status	Membership of Bargaining Unit	Salary Structure or Salary Grid	Rank & Salary Scale			TYPE OF INCREASE	AMOUNT		DATE OF INCREASE	RECIPIENT OF INCREASE
					Rank	Salary Floor	Salary Ceiling		\$	%		
University of Brock	01-Jul-11	BUFA	Tenured/Tenure Stream and Limited Term Faculty (including Lecturers) and Professional Librarians	Base salaries are adjusted each year in July by the Across the Board increase, and PTR increment awarded to all continuous members of the bargaining unit. Anomaly Fund grows yearly by 0.04% with disbursements every 3 yrs for salaries found anomalous through regression analysis performed by a committee of faculty and management.	Full Prof	\$110,449	None	Across the Board		1.5%	July 1st, 2011	All continuing members of bargaining unit
					Assoc Prof	\$86,597	None	PTR Increment	\$2,895		July 1st, 2011	All continuing members of bargaining unit
					Asst Prof	\$72,222	None	Anomaly Fund		0.04%	July 1st of appropriate year	All continuing members of bargaining unit
					Lecturer / Sr Lecturer	\$55,786	None					
Carleton University	01-Nov-11	Yes	Professorial Ranks (Tenured/Tenure-Stream/Non-Tenure Stream); Teaching Ranks (Confirmed/Confirmation Stream/Non-Confirmation Stream) and Professional Librarians	Base salaries are adjusted each year in May and November. On May 1, there is both a scale, and merit (PTR) increases applied. The scale consists of an equity adjustment of \$375, plus 1% of their April 30th nominal salary is added. The merit (PTR) amount is determined by where their salary falls within established salary range limits (for most \$3,180 or \$2,120 is added, depending on if they are above or below a breakpoint of \$126,920). On November 1, another equity adjustment is made of \$375, plus .5% of the April 30th salary is added to the current, May 1st adjusted salary.	Full Prof	\$103,570	\$158,650	PTR Adjustment	Base Increment by salary (\$3180 or \$2120)	2.21%	November 1st, 2011	All faculty members of bargaining unit
					Assoc Prof	\$78,470	\$158,650					
					Asst Prof	\$62,770	\$158,650					
					Lecturer/Sr Lecturers	\$50,220	\$158,650	PTR Adjustment	Base Increment by salary (\$2550 or \$1700)	2.21%	November 1st, 2011	Instructors in the bargaining unit
					Instr I	\$50,400	\$127,400					
					Instr II	\$57,960	\$127,400					
Instr III	\$68,040	\$127,400										
University of Guelph	01-Jul-11	Yes	Regular (tenured and probationary) and Contractually Limited Faculty with rank of Assistant Professor or higher, Continuing and Contractually Limited Librarians with rank of Assistant Librarian or higher and Regular and Contractually Limited Staff Veterinarians.	Standard Salary Scale for faculty starts at the Assistant Professor Floor. Base salaries are adjusted each year on July 1 by negotiated Across the Board and Competitive percentages. Additionally, each member receives an Annual Career Increment (ACI) plus a merit increase. All members receive the same ACI. The size of the merit increment depends on the performance assessment. Rank promotion is rewarded with an increase which is the greater of 1 additional ACI or movement to the rank floor. (Librarian information is provided in the Librarian Salary Policy Summary.)	Full Prof	\$89,601	None	Across the Board		1.50%	July 1st of each year	All members of bargaining unit
					Assoc Prof	\$82,293	None	Competitive	\$750		July 1st of each year	All members of bargaining unit
					Asst Prof	\$77,827	None	Annual Career Increment	\$2,100		July 1st of each year	All members of bargaining unit
Laurentian University	01-Jul-10	LUFAs	Full-time and permanent sessional Faculty members and librarians	Salary grid is not used: Faculty/librarians are hired at a salary based on experience as well as other factors.	Full Prof/Librarian	\$101,697	None	Across the Board		3.25%	July 1st, 2010	All members of bargaining unit
					Associate Prof/Librarian	\$82,827	None	PTR Adjustment	\$2,800		July 1st, 2010	All members of bargaining unit
					Asst Prof/Librarian	\$69,073	None	Merit Awards	Equal to 1 PTR		July 1st, 2010	See the rules for the details
					Lecturer/Sr Lecturers/Gen Librarian	\$57,298	None	Peer-group catch-up	see formula		January 1st, 2011	All members of bargaining unit

FACULTY Salary Policy - Salary Structure and Description of Salary Increases by Institution - Summary as of October 3, 2012

Name of Institution	Effective Date	Union Status	Membership of Bargaining Unit	Salary Structure or Salary Grid	Rank & Salary Scale			TYPE OF INCREASE	AMOUNT		DATE OF INCREASE	RECIPIENT OF INCREASE
					Rank	Salary Floor	Salary Ceiling		\$	%		
McMaster University	01-Jul-11	No	Full-Time Tenured/Tenure Stream/Teaching Stream/Contractually Limited Appointments	Standard salary scale starts at the floor salary for an Assistant Professor and defines career profile of a faculty member of par merit, meaning satisfactory performance ; if performance significantly better than satisfactory, faculty member is of above par merit.	Full Prof	2011/12 \$102,822 2012/13 \$105,850	None	Offset of increase to pension contribution		1.0%	July 2nd in first year and July 1st in second year	All members of bargaining unit
					Assoc Prof	2011/12 \$81,637 2012/13 \$84,453	None	Career Progress/Merit (CP/M Plan)	by par increments (0.-2.5) in steps of 0.25 ranges from \$1717.39-\$3434.78 (2011/12) \$1788.56-\$3577.12 (2012/13) by salary			
					Asst Prof	2011/12 \$63,607 2012/13 \$66,243	None					
					Lecturer	2011/12 \$51,729 2012/13 \$54,246	None	Across the Board	\$2,000			
Nipissing University	1-May-09	FASBU	All full time academics which includes tenure, tenure-track, limited term and lecturers.	Base salaries are adjusted each year in May by an across-the-board (ATB) increase and one PTR increment which is awarded to all continuous members of the bargaining unit.	Professor	\$100,924	\$139,584	ATB		3.0%	01-May-09	All members of the bargaining unit
					Associate Professor	\$83,204	\$114,964	ATB		3.0%	01-May-09	
					Assistant Professor	\$64,396	\$91,703	ATB		3.0%	01-May-09	
					Lecturer	\$49,609	\$68,946	ATB		3.0%	01-May-09	
Ontario College of Art & Design	01-Jul-10	No	All Full-Time or Part-Time Tenured or Tenure Stream teaching faculty. Also included, CLTA, sessional faculty, technicians, academic	Salary base is made up of a series of progression steps based on time alone. Each year salary base is adjusted by the base scale increase and by tria-annual and annual performance reviews' merit progress (from half a step to two steps) until ceiling is reached for individual's rank.	Full Prof	\$96,298	\$121,640	ATB		2.00%	July 1st, 2011	All Tenured, Tenure-stream, Continuing, CLTA, and Sessional faculty
					Assoc Prof	\$79,828	\$105,170			2.00%	July 1st, 2011	
					Asst Prof	\$63,335	\$88,696			2.00%	July 1st, 2011	
					Lecturers	\$50,684	\$76,027			2.00%	July 1st, 2011	

FACULTY Salary Policy - Salary Structure and Description of Salary Increases by Institution - Summary as of October 3, 2012

Name of Institution	Effective Date	Union Status	Membership of Bargaining Unit	Salary Structure or Salary Grid	Rank & Salary Scale			TYPE OF INCREASE	AMOUNT		DATE OF INCREASE	RECIPIENT OF INCREASE					
					Rank	Salary Floor	Salary Ceiling		\$	%							
University of Ontario Institute of Technology	01-Jul-10	No	Tenured/Tenure Stream	The Salary Model has four components; an Across the Board (ATB) and Competitive Adjustment increase, a Career Development Increment (CDI) and Achievement Increment (AI) and a Promotion Increment.	Full Prof		2.5 times the floor	ATB		0%	01-Jul-10	Tenured and Tenure-Stream Faculty					
										0%	01-Jul-11						
										1.90%	01-Jul-12						
										1.90%	01-Jul-13						
										2.25%	01-Jul-14						
													CDI	\$3,000		01-Jul-10	
														\$3,000		01-Jul-11	
														\$3,000		01-Jul-12	
														\$3,300		01-Jul-13	
														\$3,600		01-Jul-14	
																	AI
																	0 employees
																	0 employees
																	24 employees
																	24 employees
																	24 employees
																	24 employees
																	Competitive Adjustment
															2.70%	01-Jul-14	
										Assoc Prof			2.5 times the floor				
					Asst Prof	\$67,500 for 2010; \$67,500 for 2011; \$68,614 for 2012; \$69,746 for 2013; \$72,710 for 2014	2.5 times the floor	Promotion		value of a promotion is equal to one CDI (see value and dates above)							
Ryerson University	7/1/201	RFA	Full-Time Faculty, Librarians and Counsellors	Base salaries are adjusted annually by the Across the Board base adjustment before the Anomalies Adjustment (only given to successful applicants) is applied. In addition, members receive a Career Development Increment which is also added to base salary for satisfactory service in the preceding year depending on salaries. (Value of CDI Increment is the same for Faculty, Librarians and Counsellors at all ranks).	Full Prof	\$102,500	N/A										
					Assoc Prof	\$90,000	N/A	Across the Board		1.50%	July 1st, 2011	Full-time Faculty Members					
					Asst Prof	\$71,250	N/A	Anomalies Adjustment			July 1st, 2011	Full-time Faculty Members					
								PTR - Career Development Increments Faculty (Associate, Assistant Professor)	\$2,800		Sept 1st, 2011	Faculty Members (Associate, Assistant Professor)					
								Promotional Adjustment	\$2,800		Sept 1st, 2011	Full-time Faculty					

**FACULTY Salary Policy - Salary Structure and Description of Salary Increases by Institution - Summary as of October 3, 2012**

Name of Institution	Effective Date	Union Status	Membership of Bargaining Unit	Salary Structure or Salary Grid	Rank & Salary Scale			TYPE OF INCREASE	AMOUNT		DATE OF INCREASE	RECIPIENT OF INCREASE
					Rank	Salary Floor	Salary Ceiling		\$	%		
University of Toronto	July 1 2012	No	Tenured/Tenure Stream (Professoriate), Teaching Stream (Lecturers and Sr Lecturers), and Librarians	Base salaries of members are adjusted each July 1 by an ATB increase and a discretionary PTR adjustment which is determined on the basis of merit (the former Senior Salary process - for which faculty above a threshold salary level received only merit-based increases - ends June 30, 2006 after which all faculty are entitled to an ATB + PTR/Merit). There is a rank minimum which is the minimum salary payable to a new hire. Individual starting salaries are based on experience and qualifications as compared with peers in their department or division.	Full Prof	\$91,300	none	Across the Board		2.10%	July 1st 2012	Tenured/Tenure Stream and NonTenure Stream Professoriate, Teaching Stream (Lecturers and Sr Lecturers), and Librarians
					Assoc Prof	\$68,000	none					
					Asst Prof	\$55,300	\$94,500	PTR Adjustment		2.10%		
					Asst Prof	\$46,500	\$77,000					
					Conditional Lecturer/Sr Lecturers	\$75,100						
Trent University	01-Jul-10	TUFA	Full-Time Faculty and Librarians	Salary Grid features base salaries with increments for Across the board increases applied each July 1. In addition to ATB increases, members of the bargaining unit receive PTR increments equivalent to one step per year until the ceiling is reached, and a pool of 35 awards is available annually equivalent to one step on the salary grid for faculty on basis of exceptional performance.	Full Prof	\$108,295	\$153,372	Across the Board		5.69% base increase	July 1st, Each yr.	All members of bargaining unit
					Assoc Prof	\$93,833	\$137,778	PTR Adjustment	by increment by rank and salary		July 1st, Each yr.	All members of bargaining unit
					Assoc Prof	\$93,833	\$137,778	PTR Adjustment	by increment by rank and salary range up to ceiling (\$2,526 = Lecturer, \$2,527 =		July 1st, Each yr.	All members of bargaining unit
					Asst Prof	\$78,674	\$111,519	Merit Adjustment			July 1st, Each yr.	All members of bargaining unit
					Lecturer	\$68,569	\$96,360				July 1st, Each yr.	
University of Waterloo	1-May-10	NO (FAUW)	Full-time faculty with an appointment of one year or longer	The determination of salaries for faculty members holding regular appointments is governed by Article 13 of the Memorandum of Agreement. The salary structure for regular faculty members shall consist of a minimum salary floor and two thresholds for each of the four ranks and for Clinical Lecturer in Optometry. Effective May 1 of each year, the annual scale change as specified in the Memorandum of Settlement shall be applied to the salary floors, thresholds, and Selective Increase Unit. Following the scale increase, any salary that remains below the respective floor will be increased to that floor before the annual selective salary increase is applied. Selective salary increases are intended to move a Member through the salary structure at a rate determined by her/his achievements in the profession and contributions to the University, measured by annual performance ratings. In order to ensure orderly career progress consistent with long range academic goals, the commitment of funds required for this purpose shall have the highest priority in the preparation of the annual budget.	Full Prof	\$109,286	None	Across the Board		0%(2010-2012); 3%(2013-2015)	May 1st of each year	All members of bargaining unit
					Assoc Prof	\$85,783	None	Merit			May 1st of each year	
					Asst Prof/ Clinical Lecturers	\$68,158	None		Outstanding Performance Fund	\$3334 (SIU - Selective Increase Unit)	May 1st of each year	
					Lecturer	\$52,881	None					



**FACULTY Salary Policy - Salary Structure and Description of Salary Increases by Institution - Summary as of October 3, 2012**

Name of Institution	Effective Date	Union Status	Membership of Bargaining Unit	Salary Structure or Salary Grid	Rank & Salary Scale			TYPE OF INCREASE	AMOUNT		DATE OF INCREASE	RECIPIENT OF INCREASE				
					Rank	Salary Floor	Salary Ceiling		\$	%						
University of Western Ontario	01-Jul-10	UWOFA (Full-time)	Full-Time Probationary and Tenured Faculty, Full-Time Limited-Term Faculty (up to 5 yr contract)	Salary grid is not used. Each rank has a salary floor but on recommendation of Dean and approval of the Provost, new faculty may be hired above salary floor for their rank. Each July 1st, the base salary as of June 30th is increased by the scale adjustment (ATB) and then increased by the PLCP (merit) adjustment. In 2012-13 and 2013-14 salary may then possibly be increased through an adjustment from a Career Trajectory Fund (systematic application). In 2013-14 salary may then possibly be increased through an adjustment from an Anomaly Fund (individual application). At any time during the year, and subject to Provost's approval, a Dean may increase an individual's base salary to reflect market forces, exceptional performance, etc. Salary floors increase annually by scale adjustment. (Floor given is at 2011-12 rates) . Salary Point values and salary breakpoints go up by scale each year.	Full Prof	\$93,994	N/A	Across the Board		1.50%	July 1st of each year	Probationary, Tenured and Limited Term				
					Assoc Prof	\$76,904	N/A	Performance-Linked Career Progress Fund (PLCP - merit)	Salary point value differs by salary range	1.82%	July 1st of each year	Probationary, Tenured and Limited Term				
					Asst Prof	\$67,043	N/A									
								Lump Sum	\$800 in 2012-13 and \$1200 in 2013-14		July 1st of 2012 and 2013	Probationary and Tenured and Limited Term				
								Lecturer	\$49,296	N/A	Career Trajectory Fund and Anomaly Fund	\$400,000 Trajectory Fund in each of 2012-13 and 2013-14; \$200,000 Anomaly Fund in 2013-14	July 1st of 2012 and 2013	Probationary, Tenured and Limited Term		
							Market Adjustment						at any time of year	Probationary, Tenured and Limited Term		
						UWOFA (Part-time)	Part-Time Faculty who are teaching in the current fiscal year and have taught at least 0.5 FCE in two of last three fiscal years	Rates shown are minimum rates based on rights acquired through historical teaching. Rate shown includes 4% supplement in lieu of benefits and 6% vacation pay.	Standing Appointment	\$13,782	N/A	Each year of contract the minimum rate goes up 1.5% plus \$50		September 1 each year	Part-time faculty with contracts commencing following the start date	
										Other	\$13,098					N/A
		Wilfrid Laurier University			01-Jul-08	WLUFA	Full-Time Faculty and Professional Librarians	Reference Salaries of members must be at least at the salary floor for their rank excluding any stipends, and are adjusted yearly by one or more of the following components : first, on the basis of a scale adjustment and then possibly a Career Development Increment and a promotion increment. An Ontario System Adjustment of \$1,800, added to reference salary in year one of the agreement only, applies to faculty members with Provisional, Candidacy, Tenure or Continuing appointments in that year.				Scale		3.0%, effective July 1, 2008	July 1st of each year	Full-time Faculty and Professional Librarians
									Full Professor	\$98,500	N/A	Career Development Increment (PTR)	\$2,600 in July 2008		July 1st of each year	Full-time Faculty and Professional Librarians
Assoc Professor	\$81,000		N/A	Merit					Not added to reference salary		July 1st of each year	Full-time Faculty and Professional Librarians				
Asst Professor	\$66,000		N/A	Promotion Increment					Based on CDI or salary floor of new rank		July 1st following promotion	Members promoted to higher rank				
Lecturer	\$55,000		N/A	Ontario System Adjustment					\$1,800 in July 2008		July 1st, 2008	Members with continuous service				

**FACULTY Salary Policy - Salary Structure and Description of Salary Increases by Institution - Summary as of October 3, 2012**

Name of Institution	Effective Date	Union Status	Membership of Bargaining Unit	Salary Structure or Salary Grid	Rank & Salary Scale			TYPE OF INCREASE	AMOUNT		DATE OF INCREASE	RECIPIENT OF INCREASE
					Rank	Salary Floor	Salary Ceiling		\$	%		
University of Windsor	01-Jul-11	WUFA	Full-Time Faculty, Lecturers, Professional Librarians and Ancillary Academic Staff	Base salaries of Members of the bargaining unit are adjusted in July of each year for the Across the Board increase to their base salaries. In addition, base salaries are also increased yearly by the PTR adjustment which is a lump sum payment. In the case of promotion, the base salary of a Member will also be increased. Windsor also compares median salaries to the Windsor Salary Standard and if warranted, makes non-retroactive adjustments to base salaries in June (2013 & 2014).	Full Prof / AAS IV / Lib. IV	\$99,607 (2011); \$101,101 (2012); \$102,618 (2013);	N/A	Across the Board		1.5% (2011); 1.5% (2012); 1.5% (2013);	July 1st of each year	All members of the bargaining unit
					Assoc / AAS III / Lib. III	\$78,261 (2011); \$79,434 (2012); \$80,626 (2013);	\$133,043 (2011); \$135,039 (2012); \$137,064 (2013);	PTR Adjustment	\$2,476 (2011); \$2,513 (2012); \$2,550 (2013);		July 1st of each year	All members of the bargaining unit
					Asst / AAS II / Lib. II	\$62,449 (2011); \$63,386 (2012); \$64,336 (2013);	\$106,163 (2011); \$107,755 (2012); \$109,372 (2013);	Promotion Increment	\$1,500		upon promotion	All members of the bargaining unit
					Lecturer / AAS I / Lib. I	\$51,384 (2011); \$52,155 (2012); \$52,937 (2013);	\$87,353 (2011); \$88,663 (2012); \$89,993 (2013);	Windsor Salary Standard			31-May 2013 and 30-Jun-2014	Full-time faculty and librarian members
								University Anomalies Fund			6/30/2013	Full-time faculty and librarian members whose salary are deemed anomalous
York University	01-May-09	YUFA	All full-time faculty members, with the exception of the Law faculty, and full-time librarians	Base salaries of members of the bargaining unit are adjusted in May for the Across the Board increase to their base salaries. Also, base salaries are increased yearly by the PTR adjustment which is a lump sum amount, rather than a percentage, awarded to all members of the bargaining unit with no differentiation in the amount given. Bargaining unit members receive a base salary increment equivalent to one PTR increment on promotion from assistant to associate rank and a base salary increment equivalent in value to two PTR increments on promotion from associate to highest rank (full professor, senior lecturer and senior librarian).	Full Prof	\$82,000	N/A	Across the Board	3% in years 1 and 2 and 2.5% in year 3 of Agreement		May 1st, 2009	All members of the bargaining unit
					Assoc Prof	\$65,000	N/A	PTR Adjustment	2700		May 1st, 2009	All members of the bargaining unit
								Promotion Adjustment	\$2700 for promotion to associate rank and \$5200 for promotion to highest rank		On promotion	All tenured/continuing bargaining unit members in accordance with their promotion in rank
					Asst Prof	\$55,000	N/A	Merit Awards	250x\$2K and 75x\$3K		November 1st, 2009	All members of the bargaining unit

## LIBRARIAN Salary Policy - Salary Structure and Description of Salary Increases by Institution - Summary as of October 3, 2011

Name of Institution	Effective Date	Union Status	Membership of Bargaining Unit	Salary Structure or Salary Grid	Rank & Salary Scale			TYPE OF INCREASE	AMOUNT		DATE OF INCREASE	RECIPIENT OF INCREASE
					Rank	Salary Floor	Salary Ceiling		\$	%		
Brock University	01-Jul-11	BUFA	Tenured/Tenure Stream and Limited Term Faculty (including Lecturers) and Professional Librarians	Base salaries are adjusted each year in July by the Across the Board increase and PTR increment awarded to all continuous members of the bargaining unit. Anomaly Fund grows yearly by 0.04% with disbursements every 3 yrs for salaries found anomalous through regression analysis performed by a committee of faculty and management.	Librarian IV	\$79,030	None	Across the Board		1.5%	July 1st, 2011	All continuing members of bargaining unit
					Librarian III	\$71,446	None	PTR Increment	\$2,895		July 1st, 2011	All continuing members of bargaining unit
								Anomaly Fund		0.04%	July 1st of appropriate year	All continuing members of bargaining unit
Librarian II	\$64,367	None										
Librarian I	\$59,050	None										
Carleton University	01-Nov-11	Yes	Professional Ranks (Tenured/Tenure-Stream/Non-Tenure Stream); Teaching Ranks (Confirmed/Confirmation-Stream/Non-Confirmation Stream) and Professional Librarians	Base salaries are adjusted each year in May and November. On May 1, there is both a scale, and merit (PTR) increases applied. The scale consists of an equity adjustment of \$375, plus 1% of their April 30th nominal salary is added. The merit (PTR) amount is determined by where their salary falls within established salary range limits (for most \$3,030 or \$2,020 is added, depending on if they are above or below a breakpoint of \$120,880). On November 1, another equity adjustment is made of \$375, plus .5% of the April 30th salary is added to the current, May 1st adjusted salary.	Librarian I	\$53,180	\$151,100	Across the Board		1.00%	01-Nov-11	All members of bargaining unit
					Librarian II	\$59,780	\$151,100	Equity Adjustment	\$375	0.34%	01-Nov-11	All members of bargaining unit
					Librarian III	\$74,730	\$151,100					
					Librarian IV	\$92,660	\$151,100	PTR Adjustment	Base Increment by salary (\$3030 or \$2020)	2.21%	01-Nov-11	All members of bargaining unit
University of Guelph	01-Jul-11	Yes	Regular (tenured and probationary) and Contractually Limited Faculty with rank of Assistant Professor or higher, Continuing and Contractually Limited Librarians with rank of Assistant Librarian or higher and Regular and Contractually Limited Staff Veterin	The salary scale starts at the floor of the Assistant Librarian. Base salaries are adjusted each year on July 1 by negotiated Across the Board and Competitive percentages. Additionally, each member receives an Annual Career Increment (ACI) plus a merit increase. All members receive the same ACI. The size of the merit increment depends on the performance assessment. Rank promotion is rewarded with an increase which is the greater of 1 additional ACI or movement to the rank floor.	Full Librarian	\$75,524	None	Across the Board		1.50%	July 1 of each year	All members of bargaining unit
					Assoc Librarian	\$67,479	None	Competitive	\$750		July 1 of each year	All members of bargaining unit
								Annual Career Increment	\$2,100		July 1st of each year	All members of bargaining unit
Asst Librarian	\$62,564	None										
Laurentian University	01-Jul-09	LUFA	Full-time and permanent sessional Faculty members and librarians	Salary grid is not used: Faculty/librarians are hired at a salary based on experience as well as other factors.	Full Prof/Librarian	\$97,527	None	Across the Board		3.25%	July 1st, 2009	All members of bargaining unit
					Associate Prof/Librarian	\$79,252	None	PTR Adjustment	\$2,700		July 1st, 2009	All members of bargaining unit
					Asst Prof/Librarian	\$65,930	None	Merit Awards	Equal to 1 PTR		July 1st, 2009	See the rules for the details
					Lecturer/Sr Lecturers/Gen Librarian	\$54,526	None	Peer-group catch-up	Average of \$600 per annum (see formula)		January 1st, 2010	All members of bargaining unit

**LIBRARIAN Salary Policy - Salary Structure and Description of Salary Increases by Institution - Summary as of October 3,2011**

Name of Institution	Effective Date	Union Status	Membership of Bargaining Unit	Salary Structure or Salary Grid	Rank & Salary Scale			TYPE OF INCREASE	AMOUNT		DATE OF INCREASE	RECIPIENT OF INCREASE
					Rank	Salary Floor	Salary Ceiling		\$	%		
McMaster University	25-Feb-11	Yes	McMaster University Academic Librarians' Association (MUALA)	Standard salary scale starts at the floor salary for the appropriate Level I - IV (based on classification of job resp., experience and professional development). Change in Levels occurs through promotion, job transfer or re-classification.	Level I	July 2011 \$48,456 July 2012 \$48,456 July 2013 \$48,456 July 2014 \$48,456	July 2011 \$78,655 July 2012 \$78,655 July 2013 \$78,655 July 2014 \$78,655	Increase to Ceiling Amounts; Across-the-Board (ATB) Increases; and Merit Program for Librarians	ATB	2011 & 2012 0% 2013 Level I - IV 1.7% 2014 Level I - IV 1.7%	7-Jul-11 7-Jul-12 7-Jul-13 6-Jul-14	All members of bargaining unit
	Level II	July 2011 \$52,330 July 2012 \$52,330 July 2013 \$52,330 July 2014 \$52,330	July 2011 \$84,945 July 2012 \$84,945 July 2013 \$86,389 July 2014 \$87,858									
Level III	July 2011 \$58,088 July 2012 \$58,088 July 2013 \$58,088 July 2014 \$58,088	July 2011 \$94,290 July 2012 \$94,290 July 2013 \$95,893 July 2014 \$97,523										
Level IV	July 2011 \$66,249 July 2012 \$66,249 July 2013 \$66,249 July 2014 \$66,249	July 2011 \$107,536 July 2012 \$107,536 July 2013 \$109,364 July 2014 \$111,223										
	01-Jul-11		McMaster University Faculty Association (MUFA)		Level V	2010/2011 \$77,508 2011/2012 \$80,283 2012/2013 \$83,086	2010/2011 \$125,815 2011/2012 \$129,073 2012/2013 \$132,364	Increase to Ceiling Amounts; Across-the-Board (ATB) Increases; and Merit Program for Librarians	ATB - \$2,000 fixed amount to base salary each year of settlement.	1.0% increase to base each year to offset increased pension contributions.	02-Jul-11 01-Jul-12	All members of Association
Nipissing University (not				Note: Librarians are not in the bargaining unit at Nipissing University								
Ontario College of Art & Design	01-Jun-10	Yes / Separate class. For Librarians within OPSEU Local 576 - Unit 1	Administrative, Clerical and Maintenance Group, Full-time and Part-time. Professional Librarians are recognized as a separate classification within Appendix "A" of the Collective Agreement but do not bargain separately. Note: OCAD U's professional librarians, including the Director of Library Services, do not have faculty status. Faculty and Academic Staff (Technicians, Academic Counsellors and Teaching Assistants) are represented by the OCAD Faculty Association. There is no bargaining unit for OCAD managers.	All librarians, regardless of their job duties, are classified at the same grade level within the bargaining unit. There is no differentiation between administrative librarians (who have greater responsibilities) and non-administrative librarians (who have lesser responsibilities). There is only one grade level - L and one pay scale. There are four Head Positions that receive a \$3000 stipend above their base salary.	Librarian - L	\$62,693	\$78,485	PTR and ATB	Increments depend on pay grade step.	2.0% ATB	June 1st	All members of bargaining unit who have not reached the ceiling.

**LIBRARIAN Salary Policy - Salary Structure and Description of Salary Increases by Institution - Summary as of October 3,2012**

Name of Institution	Effective Date	Union Status	Membership of Bargaining Unit	Salary Structure or Salary Grid	Rank & Salary Scale			TYPE OF INCREASE	AMOUNT		DATE OF INCREASE	RECIPIENT OF INCREASE
					Rank	Salary Floor	Salary Ceiling		\$	%		
University of Ontario Institute of Technology	01-Jul-04	No		Librarian information not relevant for data exchange purposes								
University of Ottawa	01-May-06	APUO	Tenured/Tenure Track Faculty, Librarians, Language Teachers and Counsellors	Member salaries are increased by the ATB and PTR adjustments applied to all member salaries each year as of May 1.	Full Librarian (V)	\$87,638	\$120,651	Across the Board		3.30%	01-May-09	Regular Librarians
					Associate Librarian (IV)	\$77,456	\$105,285			3.30%		
					Assistant Librarian (III)	\$68,117	\$95,240			3.30%		
					General Librarian (II)	\$57,728	\$79,678			3.30%		
					Beginning Librarian (I)	\$48,716	\$70,026			3.30%		
Queen's University	29-Aug-11	YES (QUFA)	Tenured/Tenure Track Faculty, Adjunct Faculty (continuing, term, initial, renewable), Librarians & Archivists	Base salaries are adjusted annually by the Across the Board base increase applied to all members of the bargaining unit. In addition to the ATB increase, PTR and Merit are combined into Career Development awards which depend on how many merit points the member is awarded as well as their salary range.	Librarian / Archivist	\$84,245	N/A	Across the Board		1.25%	01-May-11	All Librarian and Archivist members of the bargaining unit
					Assoc Libr/Archivist	\$70,766	N/A	Career Development and Merit calculated separately	Career Development: \$2318 if sal < \$67,396; \$1887 if sal < \$107,833; \$809 if sal < \$113,225 and \$539 if sal > \$118,617	Merit: Normal score is 2 points (\$886)		
					Assistant Libr/Archivist	\$60,657	N/A	Anomalies Fund	\$0			
					General Libr/Archivist	\$53,917	N/A	Department Head Stipends	\$5,500 stipends			
Ryerson University	01-Jul-11		Full-Time Faculty, Librarians and Counsellors	Probationary and Career Librarians	Librarian IV	\$89,500	N/A	Across the Board		1.50%	01-Jul-11	Full-time Librarians
					Librarian III	\$74,750	N/A	Across the Board		1.50%	01-Jul-11	
					Librarian II	\$60,000	\$125,500	Across the Board		1.50%	01-Jul-11	
					Librarian I	\$54,000	\$80,000	Across the Board		1.50%	01-Jul-11	
								Anomalies Adjustment			01-Jul-11	Applicants who are successful
								PTR - Career Development Increment (Librarian I, II, III, IV)	\$2,800		01-Sep-11	Full-time Librarians (Ranks, I, II, III, IV)
								Rank Promotion	CDI value at new rank		01-Sep-11	Full-time Librarians
								Pension Offset Adjustment		1.50%	01-Jan-12	Full-time Librarians
University of Toronto	July 1 2012	No	Tenured/Tenure Stream (Professoriate), Teaching Stream (Lecturers and Sr Lecturers), and Librarians	Base salaries of members are adjusted each July 1 by an ATB increase and a discretionary PTR adjustment which is determined on the basis of merit (the former Senior Salary process - for which faculty above a threshold salary level received only merit-based increases - ends June 30, 2006 after which all faculty are entitled to an ATB + PTR/Merit). There is a rank minimum which is the minimum salary payable to a new hire. Individual starting salaries are based on experience and qualifications as compared with peers in their department or division.	Librarian I	\$55,600	none	ATB		2.10%	July 1st 2012	Tenured/Tenure Stream and NonTenure Stream Professoriate, Teaching Stream (Lecturers and Sr Lecturers), and Librarians
					Librarian II	\$58,100	none					
					Librarian III	\$75,100	none	PTR/Merit		2.10%		
					Librarian IV	\$89,000	none					

**LIBRARIAN Salary Policy - Salary Structure and Description of Salary Increases by Institution - Summary as of October 3,2012**

Name of Institution	Effective Date	Union Status	Membership of Bargaining Unit	Salary Structure or Salary Grid	Rank & Salary Scale			TYPE OF INCREASE	AMOUNT		DATE OF INCREASE	RECIPIENT OF INCREASE
					Rank	Salary Floor	Salary Ceiling		\$	%		
Trent University	July 1-08	Yes	TUFA	Salary Grid features base salaries with increments for Across the board increases applied each July 1. In addition to ATB increases, members of the bargaining unit receive PTR increments equivalent to one step per year until the ceiling is reached, and a pool upto 2 awards is available annually equivalent to one step on the salary grid for librarian on basis of exceptional performance.	Librarian IV	\$91,501	\$130,831	ATB, Merit and PTR Adjustments		5.69%	July 1st each yr.	Professional Librarians
					Librarian III	\$79,506	\$105,896					
					Librarian II	\$69,909	\$86,703					
					Librarian I	\$65,112	\$72,309					
University of Waterloo	01-May-10	No	Librarians: Not part of the faculty bargaining unit. Part of	University salary ranges, composed of a Minimum (80%), a Job Value (100%) and a Maximum (120%)	None	None	None	Scale	3.00%	May 1st of each year	All staff members.	
University of Western Ontario	01-Jul-11	UWOFA	Librarians, Archivists and Curators	Salary grid is not used. Each salary has a base but on recommendation of Appointments Committee and University Librarian with approval of the Provost, new librarians/archivists may be hired above salary floor for their rank. Each July 1st, the base salary as of June 30th is increased by the scale adjustment (ATB) and then increased by the PLCP (merit) adjustment. At any time during the year, the base salary can be increased to reflect market forces, exceptional performance, etc. Salary floors increase annually at negotiated rates. (Floor given is at 2011/2012 rates)	Senior	\$83,000	Not applicable	Scale	1.50%	01-Jul-08	Basic and Merit for all librarians and archivists. "Experience Adjustment" to recognize longer serving members.	
					Associate	\$69,000		Merit	1.53%			
					Assistant General	\$59,500 \$54,000		Experience adjustment (11/12 only) \$250 multiplied by years of service	3.67%			
Wilfrid Laurier University	01-Jul-08	WLUFA	Full-Time Faculty and Professional Librarians	Reference Salaries of members must be at least at the salary floor for their rank excluding any stipends, and are adjusted yearly by one or more of the following components : first, on the basis of a scale adjustment and then possibly a Career Development Increment and a promotion increment.			N/A	Scale	3.0%, effective July 1, 2008	July 1st of each year	Full-time Faculty and Professional Librarians	
					Librarian IV	\$73,000	N/A	Career Development Increment (PTR)	\$2,600 in July 2008	July 1st of each year	Full-time Faculty and Professional Librarians	
					Librarian III	\$63,000	N/A	Merit	Not added to reference salary	July 1st of each year	Full-time Faculty and Professional Librarians	
					Librarian II	\$55,000	N/A	Promotion Increment	Based on CDI or salary floor of new rank	July 1st following promotion	Members promoted to higher rank	
					Librarian I	\$50,000	N/A					

**LIBRARIAN Salary Policy - Salary Structure and Description of Salary Increases by Institution - Summary as of October 3,2011**

Name of Institution	Effective Date	Union Status	Membership of Bargaining Unit	Salary Structure or Salary Grid	Rank & Salary Scale			TYPE OF INCREASE	AMOUNT		DATE OF INCREASE	RECIPIENT OF INCREASE
					Rank	Salary Floor	Salary Ceiling		\$	%		
University of Windsor	01-Jul-11	WUFA	Full-Time Faculty, Lecturers, Professional Librarians and Ancillary Academic Staff	Base salaries of Members of the bargaining unit are adjusted in July of each year for the Across the Board increase to their base salaries. In addition, base salaries are also increased yearly by the PTR adjustment which is a lump sum payment. In the case of promotion, the base salary of a Member will also be increased. Windsor also compares median salaries to the Windsor Salary Standard and if warranted, makes non-retroactive adjustments to base salaries in June (2013 & 2014).	Full Prof / AAS IV / Lib. IV	\$99,607 (2011); \$101,101 (2012); \$102,618 (2013);	N/A	Across the Board		1.5% (2011); 1.5% (2012); 1.5% (2013);	July 1st of each year	All members of the bargaining unit
					Assoc / AAS III / Lib. III	\$78,261 (2011); \$79,434 (2012); \$80,626 (2013);	\$133,043 (2011); \$135,039 (2012); \$137,064 (2013);	PTR Adjustment	\$2,476 (2011); \$2,513 (2012); \$2,550 (2013);		July 1st of each year	All members of the bargaining unit
					Asst / AAS II / Lib. II	\$62,449 (2011); \$63,386 (2012); \$64,336 (2013);	\$106,163 (2011); \$107,755 (2012); \$109,372 (2013);	Promotion Increment	\$1,500		upon promotion	All members of the bargaining unit
					Lecturer / AAS I / Lib. I	\$51,384 (2011); \$52,155 (2012); \$52,937 (2013);	\$87,353 (2011); \$88,663 (2012); \$89,993 (2013);	Windsor Salary Standard			31-May 2013 and 30-Jun-2014	Full-time faculty and librarian members
								University Anomalies Fund			6/30/2013	Full-time faculty and librarian members whose salary are deemed anomalous
York University	01-Jan-07	YUFA	All full-time faculty members and full-time librarians	Base salaries of Members of the bargaining unit are adjusted in May for the Across the Board increase to their base salaries. (plus the additional ATB in Sept/05 of 0.5%). Also, base salaries are increased yearly by the PTR adjustment which is a lump sum	Senior Librarian	\$64,870	N/A	Across the Board	3% (and additional ATB of 0.5%)		May 1st, 2005 (and additional ATB on Sept 1/05)	All members of the bargaining unit
					Associate Librarian	\$50,630	N/A	PTR Adjustment	\$2,340 (2005)		May 1st, 2005	All members of the bargaining unit
					Assistant Librarian	\$42,225	N/A	Merit Awards	250x\$2K and 75x\$3K		November 1st, 2005	All members of the bargaining unit

**All Staff excluding medical/dental (all ranks combined, including deans)**

Institution	2006-2007					2007-2008					2008-2009					2009-2010					2010-2011				
	Count	Average	MEDIAN	Percentile		Count	Average	MEDIAN	Percentile		Count	Average	MEDIAN	Percentile		Count	Average	MEDIAN	Percentile		Count	Average	MEDIAN	Percentile	
				10th	90th				10th	90th				10th	90th				10th	90th				10th	90th
McMaster	748	105,306	106,065	70,397	134,894	744	111,008	112,502	73,434	141,326	738	116,699	119,028	74,995	150,412	769	121,765	124,653	76,183	156,923	761	128,530	131,696	82,173	164,221
Ottawa	940	79,487	78,396	56,909	104,265	1,027	82,373	80,776	58,414	108,983	1,064	83,690	80,926	60,418	110,790	1,116	90,338	88,188	64,588	120,018	1,124	94,682	92,671	67,856	125,632
Queen's	702	102,311	101,517	74,852	127,170	720	107,650	106,947	79,480	132,606	714	113,578	113,182	84,693	139,376	714	119,524	118,573	90,220	145,693	704	125,733	124,668	96,220	151,626
Toronto	1,983	86,576	84,669	56,738	119,357	2,040	89,779	87,303	58,156	123,919	2,121	93,807	91,414	60,305	130,399	2,128	96,317	94,026	62,043	133,951	2,151	98,967	96,796	62,992	136,414
Waterloo	938	107,908	108,306	74,639	138,487	936	113,037	113,262	78,005	144,704	975	118,086	118,139	79,516	151,136	992	122,969	124,037	83,433	157,540	1,023	124,605	125,978	84,364	160,137
Western	999	99,433	94,877	66,195	135,613	1,029	104,606	99,629	70,245	144,455	1,032	110,423	105,311	74,217	152,438	1,039	115,192	109,288	78,417	157,886	1,029	118,355	112,583	81,373	160,863

Note: Report does not show the count of 'teaching staff excluded' as in the Salaries of full-time teaching staff at Canadian universities and colleges.

Source for cost of living: Canadian Business Magazine, 2008

Source: Statistics Canada

PREPARED BY THE OFFICE OF INSTITUTIONAL RESEARCH AND ANALYSIS

UPDATED DATE: NOV. 7, 2012



### Consumer Price Index – Percentage Change by Month (Year over Year)

#### CPI (2009)<sup>1</sup>

CPI	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
National	1.1	1.4	1.2	0.4	0.1	-0.3	-0.9	-0.8	-0.9	0.1	1.0	1.3
Ontario	1.4	1.5	1.8	0.6	0.4	0.0	-1.2	-1.0	-1.1	0.2	1.0	1.2

#### CPI (2010)

CPI	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
National	1.9	1.6	1.4	1.8	1.4	1.0	1.8	1.7	1.9	2.4	2.0	2.4
Ontario	1.9	1.8	1.4	2.2	1.9	1.6	2.9	2.9	2.9	3.4	3.0	3.3

#### CPI (2011)<sup>2</sup>

CPI	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
National	2.3	2.2	3.3	3.3	3.7	3.1	2.7	3.1	3.2	2.9	2.9	2.3
Ontario	2.9	2.5	3.6	3.6	4.0	3.6	3.0	3.1	3.4	2.7	2.5	2.0

#### CPI (2012)<sup>3</sup>

CPI	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
National	2.5	2.6	1.9	2.0	1.2	1.5	1.3	1.2	1.2	1.2		
Ontario	2.4	2.9	2.2	2.1	1.2	1.2	0.7	1.0	0.7	1.0		

<sup>1</sup> <http://www.statcan.gc.ca/subject-sujet/subtheme-soustheme.action?pid=3956&id=2178&lang=eng&more=0>

<sup>2</sup> <http://www.statcan.gc.ca/daily-quotidien/121123/dq121123a-eng.htm>

<sup>3</sup> <http://www.statcan.gc.ca/daily-quotidien/121123/dq121123a-eng.htm>

## Consumer Price Index - National – Percentage Change by Calendar Year (12 Month Average)

*Annual average indexes are obtained by averaging the indexes for the 12 months of the calendar year.*

### CPI (Annual Summary) – National<sup>4</sup>

Year	CPI	% Change from Prior Year
<i>2002 = 100</i>		
2007	111.5	2.2
2008	114.1	2.3
2009	114.4	0.3
2010	116.5	1.8
2011	119.9	2.9
2012	121.3	1.2

### CPI (Annual Summary) – Ontario<sup>5</sup>

Year	CPI	% Change from Prior Year
<i>2002 = 100</i>		
2007	110.8	1.8
2008	113.3	2.3
2009	113.7	0.4
2010	116.5	2.5
2011	120.1	3.1
2012	121.3	1.0

\*Note: The 2012 figures are estimates based on the 9 months to-date (January to September 2012)

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<sup>4</sup> <http://www40.statcan.gc.ca/l01/cst01/ECON46A-eng.htm>

<sup>5</sup> <http://www40.statcan.gc.ca/l01/cst01/ECON150A-eng.htm>



## Proposed

### Highlights of the McMaster University Group Registered Retirement Savings Plan (RRSP) for Members of MUFA

Eligible employees newly hired to McMaster into a MUFA position on or after July 1, 2013 will participate in the University's Group RRSP.

#### Contributing to the Group RRSP Plan

- **Active (regular) employment** - Members are required to contribute 3.5% of base salary up to the Year's Maximum Pensionable Earnings ("YMPE"), 7% of base salary above the YMPE and up to two times the YMPE, and 10.5% of base salary above two times the YMPE. The YMPE for 2013 = \$51,100. The University matches each member's required contributions. The total combined Employee Required Contributions and matching University contributions shall not exceed the Income Tax Act maximum contribution limit (the 2013 limit is 18% of earned income up to \$23,820).
- Members have the opportunity to make additional Voluntary contributions provided that their total contributions to the plan in a calendar year do not exceed the Income Tax Act maximum contribution limit (the 2013 limit is 18% of earned income up to \$23,820). A Member may elect to commence Voluntary Contributions via regular payroll deductions at the date on which they are first enrolled in the Group RRSP, or in May of each year. Voluntary Contributions may be stopped at any time. Lump sum voluntary contributions may be made at any time by contacting Desjardins Financial.
- Members have the option to contribute while on pregnancy leave, parental leave, Family Medical leave, WSIB and LTD, at the same rate as Active Employee Required Contribution rates with employer matching contributions based on active employment rules;
- No option to contribute while on Unpaid Leave of Absence or Unpaid Sick Leave;
- Spousal contributions are permitted.
- The University does not match employee voluntary contributions or spousal contributions.

Example:

Assuming regular base salary of \$135,000/year.

Calculation	Employee Contribution	Employer Contribution
$\$51,100 * 3.5\%$	\$1,788.55	\$1,788.55
$((2 * \$51,100) - \$51,100) * 7\%$	\$3,577.00	\$3,577.00
$(\$135,000 - (2 * \$51,100)) * 10.5\%$	<u>\$3,444.00</u>	<u>\$3,444.00</u>
	<b>\$8,809.55 *</b>	<b>\$8,809.55 *</b>
<b>Combined Employee and Employer Contribution</b>	<b>\$17,619.10</b>	

\* Bi-Weekly Employee Contribution: \$168.84

Bi-Weekly Employer Contribution: \$168.84

## Withdrawal of Contributions

Members are not permitted to withdraw contributions while they are employees of McMaster University.

## Transfers from Other Plans

Members are eligible to transfer in funds directly from a former employer's registered pension plan or an RRSP.

## Portability

When employment at McMaster ceases, the Group RRSP balance may be transferred to another registered plan.

## Payment of Fees

Paid from the Plan

## Investments

Members have the option to invest Employee and University matching contributions, and voluntary additional contributions, in a variety of investment options.

Members may:

1. Select their own investment option from a list of managers or,
2. Select a lifecycle product.

Investment Managers	Associated Fees (Annualized)*
◆ <u>Funds managed by Spruce Grove</u> Spruce Grove International Equity Value Fund	0.70 %*
◆ <u>Funds managed by BlackRock</u> DFS BlackRock Active Canadian Equity Fund	0.40 %*
DFS BlackRock Universe Bond Index Fund	0.20 %*
◆ <u>Funds managed by Fiera Capital Inc.</u> Money Market Fund (Fiera)	0.12 %*
◆ <u>Funds managed by Jarislowsky Fraser Ltd.</u> Jarislowsky Fraser Balanced Fund	0.35 %*
◆ <u>Funds managed by McLean Budden</u> McLean Budden American Equity Fund	0.32 %*
Life Cycle ("Trace") Products	
◆ <u>Prudent Path</u> (Security or Conservative)	0.50%*
◆ <u>Moderate Path</u> (Balanced or Dynamic)	0.50%*
◆ <u>Growth Path</u> (Energetic or Aggressive)	0.50%*

**\* Desjardins charges an administration fee of 0.64% in addition to the individual manager fees quoted above.**

The amount of the contributions and the performance of the investments will determine the balance in the Group RRSP account at retirement or termination.