

University Pension Plan

Draft Response to Joint Union Letter

Dear Mr. Bischof, Mr. Dias, Mr. Hahn and Mr. Thomas:

Thank you for your letter of August 25, 2017, outlining your concerns regarding the current process to build a Jointly Sponsored Pension Plan (JSPP) in the university sector.

We would like to acknowledge the efforts of your organizations, working with other university bargaining agents, faculty associations and employers through the University Pension Coalition to develop a new pension plan in the university sector. Our government has been pleased to provide funding to support this process. Creating sustainable pension plans has been a key goal of our government's pension reform agenda. Changes to the *Pension Benefits Act* were introduced by our government specifically to facilitate the voluntary merger of single-employer sponsored plans to the jointly sponsored model in the public sector. It is up to the employer and employees to reach an agreement that can be presented to members and retirees for their approval.

From the outset, a key principle agreed to by the participants in the university sector was that collective bargaining and local decision-making processes should determine the design of a multi-employer JSPP for Ontario university pensions.

Your letter highlights specific concerns regarding the role of non-unionized employees in the governance of the plan and the early retirement benefits proposed for the JSPP. It is our understanding that, at the end of August, an agreement between the University of Toronto, University of Guelph, Queen's University, their respective faculty associations, the United Steelworkers, and the Ontario Association of Non-Unionized University Employees (OANUE) was reached on plan design and governance; and that this agreement addresses all the outstanding issues and reflects the principles established by the University Pension Coalition. It is also our understanding that the parties to this agreement will continue to work on the specific details regarding the new plan.

We are pleased to hear about your willingness to continue discussions with the parties and would encourage you to do so. Several of you have experience with the shared governance of major jointly sponsored plans in the broader public sector, which would be valuable to the university JSPP. Given that significant progress has been made on the development of the UPP, we do not think that it is necessary to take a meeting.

We very much appreciate you taking the time to share your concerns with us on this very important issue.

Yours sincerely,

Ministers

BPS Pensions Branch, Ministry of Finance

Post-Secondary Finance and Information Branch, Ministry of Advanced Education and Skills Development

September 26, 2017