

Without Prejudice YUPG Proposal for Memorandum of Agreement

June 25, 2013

**IN THE MATTER OF NEGOTIATIONS
FOR CHANGES TO THE YORK PENSION PLAN**

B E T W E E N:

YORK UNIVERSITY

(the “University”)

- and -

CUPE 1356, CUPE 3903. IUOE 772, OHFA, OPSEU 578, YUFA, AND YUSA

(the “York University All-Union Pension Group” – “YUPG”)

WHEREAS the University and the YUPG have entered negotiations for changes to the York Pension Plan in the context of the Pension Plan’s specific circumstances and the provincial government’s solvency relief program, the parties therefore agree as follows:

1. The Parties agree that discussion and negotiations over Pension Plan changes will occur in two phases. The outcome of Phase 1 negotiations is as follows:
2. On a 50/50 sharing basis for the Money Purchase Component of the Pension Plan, the required Member and University contribution rates will be increased in five equal increments as follows:
 - (a) Effective March 1, 2014, to 4.95% up to the Year’s Maximum Pensionable Earnings (“YMPE”) and 6.63% above the YMPE;
 - (b) Effective September 1, 2014, to 5.4% up to the YMPE and 7.26% above the YMPE;
 - (c) Effective March 1, 2015, to 5.85% to the YMPE and 7.89% above the YMPE;
 - (d) Effective September 1, 2015, to 6.3% to the YMPE and 8.52% above the YMPE;
 - (e) Effective March 1, 2016, 6.75% to the YMPE and 9.15% above the YMPE.

3. The University's contribution toward the Non-Reduction Reserve of 3% of required Member contributions for the Money Purchase Component of the Plan will be eliminated effective January 1, 2014.
4. For retirements on or after January 1, 2015, the Moving Four-Year Average Fund Rate of Return will be lengthened to a Moving Five-Year Average Fund Rate of Return with the fund rate of return equal to 6.0% for the Plan Years in the five-year average up to and including the Plan Year in which the date of pension commencement occurs.
5. In the event that, upon review of the preliminary results of the December 31, 2013 actuarial valuation, the changes enacted in paragraphs 2 and 4 of this Memorandum of Agreement are not sufficient, as calculated by the Plan Actuary, to meet the savings target as defined in the University's Stage 1 Solvency Relief application, the Moving Five-Year Average Fund Rate of Return will be lengthened to a Moving Six-Year Average Fund Rate of Return effective for pensions that commence on or after January 1, 2015.
6. The University agrees that a draft of the Stage 2 Solvency Relief Application (the "Application") shall be provided to the members of the YUPG for review and comment, that meetings will be convened between the University and the YUPG to discuss the content of the Application, and that the final version of the Application shall be presented to the YUPG.
7. If the changes in clauses 2 – 5 above prove to be insufficient to achieve Stage 2 Solvency Relief, the parties agree to reconvene within two weeks of the government's response to the University's application, with the purpose of reaching agreement on additional Pension Plan changes required to achieve Stage 2 solvency funding relief.
8. The Parties agree to amend Section 1 of the terms of reference for the All University Pension Committee ("AUPC") as follows:
 - (a) For clarity, all University proposals related to changes in Plan provisions and Plan actuarial and administration practices shall be provided to the AUPC prior to presentation to the Board of Governors together with supporting documentation that explains:
 - (i) the rationale for the change,
 - (ii) the cost/benefit/administration implications, and
 - (iii) a blackline of the relevant Pension Plan provisions showing the current and proposed changes.

Unless with the agreement of the AUPC, such proposals shall be provided to the AUPC with a minimum of 60 days' advance notice of their presentation to the Board of Governors

- (b) Any member of the AUPC shall have a corresponding opportunity to present proposals to the University on the same basis as above in (a)(i-iii).
 - (c) No amendment to sub-sections 8(a) and (b) of this Agreement as incorporated into the AUPC Terms of Reference shall be made without the agreement of the members of the AUPC.
9. The University and YUPG agree to convene for the commencement of Phase 2 not later than October 1, 2013. During Phase 2, the Parties will meet to discuss the University's concerns of Plan affordability and sustainability and consider further Plan amendments that can be mutually agreed upon.
10. In the event that the Pension Plan returns to a surplus funding status on a going concern and solvency basis, the University agrees that, unless required by law, the surplus shall not be used to fund any University matching contributions to the Money Purchase Component unless agreed upon by the University and the University's Unions.
11. The participating representatives in Phase 1 agree to recommend this Memorandum of Agreement to their principals for approval.

Signed this ____ day of _____, 2013.

For the Employer

For the YUPG

Per: Gary Brewer

Per: Walter Silva (CUPE 1356)

Per: Paul Campbell

Per: William Gleberzon (CUPE 3903)

Per: Terisa Ducharme

Per: Mohan Mishra (CUPE 3903)

Per: Aileen Ashman

Per: Iouldouz Raguimov (CUPE 3903)

Per: Barry Miller

Per: Raj Virk (CUPE 3903)

Per: Andrew Johnston (IOUE 772)

Per: Jinyan Li (OHFA)

Per: Greg McPeake (OPSEU 578)

Per: Joanie Cameron Pritchett (YUSA)

Per: Giulio Malfatti (YUSA)

Per: Brenda Hart (YUFA)

Per: Arthur Hilliker (YUFA)

Per: Sue Levesque (YUFA)

Per: Brenda Spotton Visano (YUFA)

Per: Al Stauffer (YUFA)

Per: Walter Whiteley (YUFA)

Per: Calvin Traynor (CUPE 1356)