



Mar 2, 2018

To All Members of the Carleton University Community,

We feel it is urgent to provide a response to the employer's "Q & A" of February 28th. In what follows, we provide a point by point response to that communication.

Q. Different Carleton unions have different benefits, so why can't CUPE 2424 have pension language that is different from other collective agreements?

A. Carleton has one pension plan for all plan members that is administered by a pension committee – the majority of whom are employee representatives. This is very different from health and dental benefits that are negotiated by individual unions on behalf of their members. If CUPE 2424 wants a veto over pension decisions, this could only work properly if members of CUPE 2424 were in their own separate plan.

CUPE 2424: This is just factually inaccurate. Many Ontario university trade unions have negotiated various protections and improvements through collective bargaining and strengthened collective agreement language. At Queen's University and York University, which have very similar "hybrid" type pension plans, various unions have negotiated collective agreement language that protects their pension against adverse changes decided by any other entity (including the Board of Governors or a "joint" committee of the Board of Governors such as a pension committee). Yet, these contractual protections were negotiated without putting each Unionized employee group in a separate plan – as the text above suggests would be required to "work properly".

Q. Is management trying to change or take away Carleton's pension plan or the Minimum Guarantee (the Defined Benefit part of the pension plan)?

A. No. Absolutely not. We're proud of the pension plan, including the Minimum Guarantee. Since 1948, the university - working with the pension committee - has strived to administer the pension plan for the benefit of current and future plan members. That commitment remains.

CUPE 2424: We are glad that Carleton is proud of the pension plan. However, their stated "commitment" to administer this plan "for the benefit" of members is deeply inadequate. Over the past 15 years, Carleton has implemented a series of very serious cuts to the benefit levels in the pension plan, including the elimination of an early retirement bridge, an increase to the penalty for retiring early, and – most dramatically – removing the protection in the plan against post-retirement benefit reduction (the "non-reduction guarantee", which no other Ontario university with a hybrid plan has removed).

But it gets worse. In 2010, the University decided to start requiring plan members to pay a major share of the employer's pension contribution obligation – worth about 2% of payroll. This change actually violated the CUPE 2424 collective agreement and a grievance was filed in 2010. The resolution of that grievance in 2015 was only a temporary measure – a Letter of Understanding that expired in 2017 with

our collective agreement. The Employer then brought a proposal into collective bargaining to remove the contract language that protects our pension contribution rate from further changes without the Union's consent. This is clearly a concession – this language protecting our contribution rates has been in our collective agreement for more than 40 years and the Employer has given no good reason for removing it. As we did in resolving the grievance, the Union has again offered to accept a continuation of the 2011 rate increase until its expiry in 2021 – but the Employer has rejected this, and insisted that our members should no longer have this protection in our contract.

Q. What is CUPE 2424 demanding and what is management's interpretation of why CUPE 2424 members are preparing to strike?

A. In management's view, CUPE 2424 is seeking control over the pension plan by insisting on a veto over pension committee decisions. The union is asking to change governance processes and roles that belong to the pension committee and to the university, represented by the Board of Governors, without assuming the legal responsibility that goes with this. The pension committee has done an excellent job of administering the pension plan for more than 50 years. The university is protecting the role of the pension committee and governance on behalf of all plan members.

CUPE 2424: This is entirely misleading. The Employer has insisted that all Pension Committee decisions are made by "consensus", and so CUPE 2424 should have no worries about stripping out the current protections from our contract. Yet, when we proposed that the long-established practice of decision-making by consensus – of ALL union and employer representatives on that committee – be formalized as a requirement for making decisions, the Employer rejected this – and indicated clearly that they wanted to preserve the ability to push decisions through that Pension Committee that CUPE, CUASA, and other union representatives may oppose. In other words, the University will not provide assurance that consensus decision-making will continue into the future. This would mean a serious, ongoing risk that further benefit reductions, or contribution rate increases, will be implemented without the agreement of CUPE (or the other unions). This is why, like many other faculty associations and CUPE Locals across the university sector, we have set a priority on ensuring that our members have reasonable pension protections embedded in their contract.

Q. You've been saying the pension plan is doing fine. If that's true, why would you allow a strike to happen when you could just leave the collective agreement the way it is?

A. Following the 2008 financial crisis and strict provincial rules on solvency funding, deficits arose in the pension plan. The pension committee (the majority of whom are employee representatives) researched options on how best to protect the pension benefit for all plan members. At that time, CUPE 2424 filed a grievance to try to stop those recommendations from applying to its members. In all of the pension plan's history, CUPE 2424 had never before used the language in the collective agreement to raise an objection to pension decisions, despite the fact there had been more than 20 changes to the plan over previous decades. CUPE's grievance made it clear that the collective agreement could be used to try to override the pension committee and put the plan at risk in the future. Although the grievance was resolved, the union knew that the university would insist that CUPE 2424 not have a permanent veto over other employee groups in the pension plan, and that this issue would have to be addressed through bargaining. As a result, the collective agreement needs to change.

CUPE 2424: This is simply inaccurate and a real disservice to those who want to understand this history. CUPE's 2011 grievance was filed because the University had pushed a set of pension amendments

through the Pension Committee that, among other things, forced plan members to pay for a significant portion of the Employer's increased pension costs in a way that violated the terms of our collective agreement (which specified member contribution rates). This was not legal, and CUPE had every right to file that grievance. In a good faith effort to resolve the dispute, we agreed to a temporary resolve of that dispute with every intention to continue to assert and clarify our existing collective agreement rights, including through the bargaining process. The Employer has given absolutely no good reason for the removal of this important contract language, and in fact, given us very good reason to be concerned that they have plans to increase our contributions – or cut benefits – without CUPE's consent, outside of bargaining. While our collective agreement protections only extend to our own members, we feel that these provisions serve as a protection that benefits all plan members. What we want for our members we want for everyone.

Excerpt from CUASA (Faculty) communication regarding CUPE pension language (November 2015):

“Currently, we all benefit from provisions in the CUPE collective agreements which limit the ability of the pension committee (and by extension the employer) to make changes to the pension plan without the agreement of the effected unions. CUASA does not have this kind of language, and the employer is aiming to remove it from the collective agreements of all CUPE locals, starting with CUPE 910.”

<http://cuasa.ca/november-2-2015/>

Conclusion

CUPE is committed to resolving the current impasse, and we do not want to see a work stoppage. However, if the Employer chooses to maintain its proposal to strip long-standing collective agreement pension protections out of our contract, then we will have no choice but to withdraw our services. For the employer to risk a strike or a lockout would be reckless and entirely unnecessary, and the Carleton community will suffer greatly. The funding balance in the pension plan has been improving in recent years, and 2017 is expected to be another year of positive gains. This makes the Employer's decision to risk a work stoppage particularly disappointing. Once again, we are committed to continuing the collective bargaining process toward what we hope will be a successful conclusion, without disruption for the campus community.