

AGREEMENT BETWEEN
THE GOVERNING COUNCIL OF THE UNIVERSITY OF TORONTO
AND
THE UNIVERSITY OF TORONTO FACULTY ASSOCIATION
ON RETIREMENT MATTERS

Whereas the Memorandum of Agreement between the University and the University of Toronto Faculty Association provides for mandatory retirement at age 65;

And whereas this provision was jointly negotiated and was seen as mutually beneficial but now as a result of societal and institutional change the parties agree that it should be discontinued;

And whereas the parties have benefited from constructive dialogue through joint working groups and in negotiations have reached a comprehensive agreement on the elimination of mandatory retirement and revised retirement arrangements,

Therefore, the parties agree to recommend to Governing Council and UTFA Council as follows:

The University and the Association agree to the elimination of mandatory retirement, effective June 30, 2006, in accordance with the following terms and conditions:

1. Memorandum amendment

Article 2, paragraph (f) of the Memorandum of Agreement will be deleted and replaced as of July 1, 2005 with the following: "There shall be no mandatory retirement date for faculty members and librarians whose 65TH birthday occurs on or after July 1, 2005."

2. Normal Retirement Pension Benefits

The pension benefits of faculty members and librarians who choose to retire at "Normal Retirement Date" (NRD: June 30th coincident with or following 65th birthday), will be unaffected by the elimination of mandatory retirement.

3. Other Benefits

Optional additional life insurance and long term disability coverage shall terminate on the NRD. Basic Life will continue in effect from the NRD to the faculty member's or librarian's actual retirement date or, if earlier, the date upon which the faculty member or librarian begins to receive his or her pension as required under the Income Tax Regulations. All other benefits that are available to a faculty member or librarian will continue to be available, on the same terms as for other faculty and librarians, to the faculty member or librarian who postpones retirement beyond his or her NRD.

4. Elimination of VEARP

The Voluntary Early Academic Retirement Program (the "VEARP") will be renewed September 1, 2005 for a four month period only and will terminate effective December 31, 2005. However, a faculty member or librarian who has applied in writing to retire in accordance with the VEARP and whose application has been approved by the University prior to December 31, 2005 will be eligible to retire in accordance with the terms of the VEARP provided the retirement date is no later than June 30, 2010. A faculty member or

librarian who retires under VEARP will not be eligible to retire under the new Unreduced Early Retirement provisions described in paragraph 5.

5. Unreduced Early Retirement

Effective for retirements on or after June 30, 2006, the Plan shall be amended to provide for an Unreduced Early Retirement Date which shall be any June 30 or December 31 coincident with or following the date the faculty member or librarian has met both of the following eligibility conditions: (1) age 60 or more and (2) ten years of Pensionable Service. A faculty member or librarian who retires on an Unreduced Early Retirement Date shall be entitled to an immediate earned pension under the Plan without reduction on account of retirement prior to the faculty member's or librarian's Normal Retirement Date. It is confirmed that a faculty member or librarian who retires on an Unreduced Early Retirement Date and commences an immediate pension will be entitled to retiree health benefits on the same basis as they are provided to other retired faculty members and librarians. It is confirmed that a faculty member or librarian who retires on an Unreduced Early Retirement Date will be entitled to transfer the commuted value (calculated in accordance with applicable legislation) of his or her pension benefit out of the Plan on the Unreduced Early Retirement Date (being a date that is before the Normal Retirement Date). The transfer will be conditional upon the faculty member or librarian signing a full and final Waiver and Release in favour of the University respecting the commuted value transfer option. A faculty member or librarian who selects the commuted value option will be entitled to purchase retiree health benefits but the faculty member or librarian shall bear the full cost of such coverage. It is confirmed that benefits other than retiree health benefits will be available to retired faculty members and librarians on the same terms and conditions as they are provided to other retired faculty members and librarians.

6. Retirement counseling

The University recognizes the value of retirement counseling for all faculty members and librarians considering retirement and agrees to work with UTFA to establish a retirement counseling program. The University agrees to pay for a lifetime maximum of three (3) hours of independent retirement counseling for each faculty member or librarian considering retirement, in accordance with the program.

7. Scope of duties beyond NRD

Faculty members and librarians who choose to work beyond NRD are required to continue the full scope of their normal duties.

8. Notice of retirement

Faculty Members and Librarians will give notice of their intention to retire one year in advance of the proposed retirement date so as to facilitate planning within departments/divisions. Such notice of intention will be irrevocable.

9. Postponed Retirement

Subject to (3) above, faculty members and librarians who continue working at the University of Toronto beyond their NRD will continue to receive their salary and benefits. They will also continue to accrue pension benefits based on years of service and salary. They will continue to make pension contributions. They will not be entitled to commence receiving a pension prior to their actual retirement date (which shall be a June 30 or December 31) unless required by law to commence receiving a pension prior to their actual retirement date (ie. currently the December 1 of the year in which the faculty member or librarian attains age 69). The pension received by faculty members and librarians who work beyond the NRD will not be actuarially increased on account of age.

10. Phased Retirement

A revised program for phased retirement over three years will be instituted effective July 1, 2006. Faculty Members and Librarians will give notice of their intention to participate in the phased retirement program one year in advance of the proposed commencement date for phased retirement (which shall be a July 1) so as to facilitate planning within departments/divisions. Such notice of intention will be irrevocable. Phased retirement will be available to full time faculty members and librarians (full time is defined as those with greater than a 75% appointment), who will first become eligible for phased retirement three years before they are eligible for an unreduced pension (ie. at age 60 with 10 years of Pensionable Service) and will remain eligible until three years before the required pension start date (ie. currently the December 1 of the year in which the faculty member or librarian attains age 69). Entering into the phased retirement program will set an irrevocable retirement date. Faculty members and librarians in the phased retirement program (the Participant) will be expected to continue the full range of their normal pre-program duties as agreed with the Chair and proportionate to their percentage appointment over the three year period. Unless the applicant and the Chair agree otherwise, the cumulative appointment over the three year phased retirement period will be at least 150% but not more than 200% of a full time appointment and will be subject to a minimum percentage appointment in any one year equal to 25% of a full time appointment.

(b) The Participant's salary during the three year phased retirement period will be prorated on the basis of the part time appointment of the Participant in each year.

(c) The Participant will earn pension benefits based on a full time appointment and assuming a salary in each year of the phased retirement program equal to the Participant's 100% nominal salary. However, the Participant's contributions to the pension plan will be based on his or her actual salary received in each year of the phased retirement.

(d) Group benefit coverage will continue as though the Participant continued to be employed on a full time appointment throughout the phased retirement program except as set out in this paragraph with respect to life insurance, sick pay and long term disability.

Life insurance coverage (including Optional Life, if applicable, prior to NRD) shall be based upon the Participant's pre-program salary multiplied by the cumulative appointment and then divided by three(3).

The Participant shall be entitled to the Policy on Sick Pay for which he/she shall be compensated on the basis of the Participant's actual salary received during the period of phased retirement.

Long term disability benefits will be payable only up to the Participant's irrevocable retirement date, or, if earlier, the NRD, with such benefits being calculated as the lesser of 70% of the employee's 100% nominal salary immediately prior to the commencement of the phased retirement or 100% of the employee's actual salary. A participant who is eligible and qualifies for Long Term Disability Benefits during the phased retirement program may opt out of the program and retire instead of receiving Long Term Disability Benefits.

Participants who are not eligible for long-term disability benefits but who meet the criteria for long term disability during the phased retirement program may opt out of the program and retire.

(e) The Participant will also be eligible to receive a retiring allowance equal to 75% of the 100% nominal salary in effect immediately prior to the commencement of the phased retirement, less deductions required by law (the "Retiring Allowance"). The Retiring Allowance will be payable in three equal annual installments over the phased retirement period, subject to confirmation from Canada Revenue Agency satisfactory to the University that such payments will qualify for retiring allowance treatment. Should an arrangement in this form not be accepted by the Canada Revenue Agency as a Retiring Allowance, the University agrees to work with the Association to make such amendments as are required to satisfy the Canada Revenue Agency. Otherwise, the Retiring Allowance will be paid in the form of a single lump sum payment at the end of the phased retirement. In the event that a Participant dies prior to receiving his or her full entitlement under this section, the balance of the Retiring Allowance shall be paid to the Participant's estate.

A participant who has opted out of the phased retirement program under (d) above shall receive a pro-rated share of his or her Retiring Allowance.

(f) Participants in the phased retirement program will be entitled to full professional expense reimbursement and will be entitled to participate in all programs that are available to faculty members and librarians.

11. Partial Pension

The University and the Association agree to discuss the possibility of introducing partial pension payment features during phased retirement if and when legislation is passed permitting the payment of a partial pension under a registered pension plan.

12. Class of 2005

Notwithstanding the limitations in the phased retirement program, faculty and Librarians whose NRD is June 30, 2005 shall be eligible for participation in the phased retirement program, subject to Provostial approval, provided they notify the University of their application by April 30, 2005.

Individuals in this group, who apply for the phased retirement option above and are not approved, may request from their unit head, a one year contract for 20% of their June 30, 2005 salary (which will include duties in addition to course instruction) which shall not be unreasonably denied.

13. Benefits definitions

The term "health benefits" in this document includes dental benefits and the term "retiree health benefits" includes retiree dental benefits. It is confirmed that the life insurance coverage which currently forms part of the retiree health benefits package consists of Basic Life plus 1X Optional Life provided that the faculty member or librarian had Optional Life coverage at his or her retirement date and further provided that such life insurance coverage is available up to the faculty member's or librarian's NRD only, after which life insurance coverage ceases completely.

14. Pension definition

All references to "pension" in this document include the Supplemental Retirement Arrangement, where applicable.

15 Senior Scholar/Retiree Centres

- a) The University will develop, in consultation with UTFA and RALUT, a Statement of Commitment to Retired Faculty Members and Librarians for presentation for approval by Governing Council by no later than June 30, 2005. The statement will profile the important role that retired faculty can play in the life of the University and the ways in which the University may recognize and support these contributions.
- b) Subject to the approval of the Statement by Governing Council the University will appoint Project Planning Committees for the Senior Scholar/Retiree Centres on each campus. Each such committee shall include at least two representatives of UTFA. The St. George campus committee will be established no later than Sept. 30, 2005 with committees to be established at University of Toronto at Mississauga and University of Toronto at Scarborough within a reasonable time period.
- c) The parties have also agreed to a "Letter of Understanding with regard to Retired Faculty and Librarians".

16. Dispute resolution

The individual and group grievance (faculty members and librarians) provisions of article 7 of the Memorandum of Agreement (Grievance Procedure) apply to this agreement. The Association Grievance provisions of article 7 apply with respect to the establishment of a retirement counseling program, discussions with the Association if CRA disallows retiring allowance treatment, discussions concerning partial pension, and paragraph 15.



17. Application of Article 6

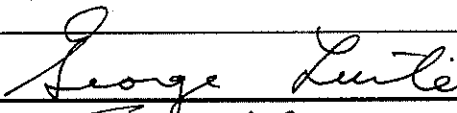

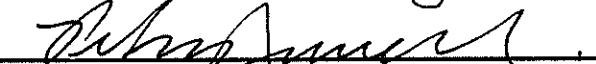
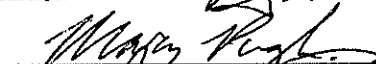

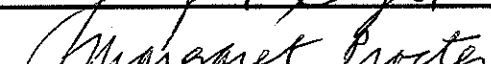
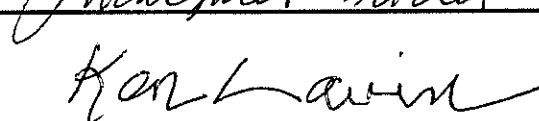
All salary and benefit provisions of this Agreement and any salary and benefit provision of the Letter of Understanding are subject to negotiation, mediation and arbitration in accordance with Article 6 of the Memorandum of Agreement. Other provisions of this agreement are subject to applicable provisions of the Memorandum of Agreement.

March 14, 2005 2 AM

University of Toronto

University of Toronto Faculty Association

14 March 2005, 4 AM

LETTER OF UNDERSTANDING BETWEEN
THE GOVERNING COUNCIL OF THE UNIVERSITY OF TORONTO
AND
THE UNIVERSITY OF TORONTO FACULTY ASSOCIATION
WITH REGARD TO RETIRED FACULTY AND LIBRARIANS

The University is committed to the establishment of retiree centres on each campus. These Centres, which will represent a first for Canada and reflect best practice within peer institutions in the US, will develop and administer, in collaboration with retirees and those soon to retire, a range of programmes and facilities to support retired Faculty Members and Librarians in continuing their intellectual activities and to retain their connection with the University. The University will immediately commence its efforts to establish these Centres. The creation of the Centres is subject to the identification of appropriate space, resources for their development and operation, and the approval of Governing Council.

- a. Retired faculty members and librarians should have reasonable access to shared office space at the University. Such access should include facilities to receive mail and email at a University address, access to a computer connected to the University network, and access to lockable space in which to store files and other personal property. Ideally, these facilities should be in or near the retired faculty member's or librarian's department or college. When space in the department or college is not available, these facilities should be provided in an appropriately equipped and staffed Senior Scholar/Emeritus Centre located on the retired faculty member's or librarian's campus.
- b. Retired faculty who meet the eligibility requirements to be a principal investigator will be able to submit internal and external grant applications with the authorization of their unit head and upon confirmation by the unit head that necessary space and other resources will be made available to support the research.
- c. Retired faculty with ongoing research programmes are eligible to supervise graduate and undergraduate students' research, in accordance with the School of Graduate Studies and departmental policies.
- d. When the academic interests of retired faculty members coincide with undergraduate and graduate programmes offered by their departments, retired faculty members may be invited to teach courses. Such teaching will be remunerated at a minimum at the overload stipend rate negotiated with UTFA.

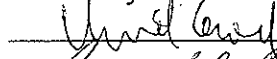
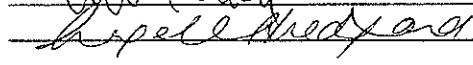
e. A unit head's decision under paragraphs a-d, above, is subject to review by the Dean, and then by the Vice-President and Provost, in multi-department faculties or by the Vice-President and Provost in single-department faculties. The review decision of the Vice President and Provost will be final and not subject to any further review or appeal.

f. As faculty members and librarians approach their stated date of retirement they may submit an indication of what teaching, research or service activities, if any, they would like to continue after retirement. The purpose of collecting this information would be to ensure that each unit has an inventory of the services available from its retirees and that all retirees have an opportunity to advise the University of their continuing interests.

g. The Memorandum of Agreement does not apply to this Letter of Understanding except as provided in paragraph 17 of the Agreement on Retirement Matters.

March 14, 2005 1 AM

University of Toronto

University of Toronto Faculty Association

