

# Pension Plan Update #1

University of Winnipeg Faculty Association

## Notes from Monday's Board of Regents meeting

At its Monday January 29<sup>th</sup> meeting, the U of W Board of Regents acknowledged that the Board did not have the authority to unilaterally amend the U of W pension plan. Because the U of W Pension Plan Committee had not supported the University's proposal to reduce benefits and increase contribution levels, those proposals were not put before the Board.

The Board did pass a resolution calling on the University administration "to take steps to obtain the agreement of the relevant stakeholders to amend the University's Pension Plan in line with the conditions prescribed by the Province of Manitoba towards achieving Pension Plan solvency." The resolution recommended that this agreement be reached by February 28, 2007.

The UWFA is pleased that the U of W has finally recognized that it cannot move unilaterally in this area. However, it should

**Continued on page 2**

## UWFA takes court action to force U of W to implement 3-year-old pension agreement

The University of Winnipeg Faculty Association (UWFA) is asking the Manitoba Court of Queen's Bench to require the University of Winnipeg implement a 2004 agreement to establish an independent board of trustees to govern the U of W pension fund.

Under that agreement, the U of W would appoint half of the trustees, while various stakeholders would appoint the other half.

UWFA filed its application with the Court of Queen's Bench on Friday, January 26, 2006. The Association of Employees Supporting Education Services (AESES) has initiated a similar legal action. All three unions whose members are part of the pension plan are working together on this issue.

In coming weeks, UWFA will be providing members with additional information on the court challenge and other issues related to the U of W pension plan. UWFA believes that it is important to address the following questions.

### **Shouldn't UWFA be focusing on the pension plans financial problems rather than plan governance?**

UWFA recognizes that establishing an independent board of trustees to govern the pension fund will not eliminate the deficit issues that the pension fund needs to address. However, UWFA has long believed that a board of trustees appointed by the various pension fund stakeholders (including the university), rather than the Board of Regents on its own, is the appropriate body to be governing the pension fund. Furthermore, the desirability of having such a board of trustees only increases when the fund is faced with difficult choices. We should have direct involvement in making decisions that will affect us.

Because it has responsibility for both the U of W and the pension fund, the Board of Regents is, in effect, in a conflict of interest. UWFA is not alone in this view. In November 2006, Debbie

**Continued on page 2**

# UWFA takes court action

Continued from page 1

Lyon, the provincial Superintendent of Pension wrote “Analysis indicates that the University [of Winnipeg] as administrator does not have clear knowledge of its duties. There appears to be some role confusion created by the two hats worn by the University—as employer and administrator—which can create the potential for miscommunication and differing expectations in respect of the Plan and its governance as between the University and members. It is noteworthy that at times some of the members of the Board of Regents (the “Board”) themselves felt that they are, at times, in a conflict and uncertain of their role.” The Board of Regents will feel this conflict most seriously when the university is faced with financial problems.

## **How does UWFA respond to the argument that the administration is being responsible by attempting to address solvency issue before turning the plan over to the board of trustees?**

When the 2004 agreement was reached to transfer management of the pension plan to a board of trustees, the Board of Regents was already aware of the fact that the plan had a projected \$9-million deficit. The Board should not use the solvency issue to further delay its responsibility to meet its obligations.

## **Should we not try to negotiate a resolution to the pension issue?**

UWFA did negotiate a resolution to the pension issue in 2004. The agreement to set up a board of trustees was reached through a bargaining process that involved give and take on the part of all parties. By refusing to implement the agreement, the University has assumed a number of benefits, but has failed to implement the agreement. UWFA is certainly prepared to talk to the Administration, however it has responsibility to its members to ensure that the Administration adheres to negotiated agreements.

## **The media has reported that the unions and pensioners would control the pension fund board of trustees. Is this true?**

The U of W would have the right to appoint half of the members of the board of trustees. Furthermore, the board of trustees “would not have the authority to make amendments that increased contributions required by the University without the University’s agreement.”

## **Do the proposed changes to the pension plan violate the collective agreement?**

The collective agreement requires that the current advisory Pension Committee approve any changes to the pension plan. The committee has not recommended the proposed changes.

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Continued from page 1

be noted that the conditions “prescribed by the Province of Manitoba” are the provisions that the Pension Committee has already refused to endorse—the Board appears to be prepared to talk, but it still wishes to dictate outcomes. The February 28 date amounts to a self-imposed deadline since it does not relate to the issues facing the pension fund.

During the discussion, the Administration again took the position that while it remains committed establishing a trusteeship to govern the pension plan, it would not do so until solvency issue is addressed, and a trustee agreement finalized and approved by the Board of Regents. It is the UWFA’s position that the solvency issues would be best addressed by a Board of Trustees, not the Board of Regents. Secondly, the Board of Regents finalized and approved a trustee agreement in 2004.