

# Pension Plan Update #3

## Union representatives meet with government official

UWFA President Kristine Hansen and AESES President Tom Moyle met with Manitoba Deputy Minister of Labour Jeff Parr on Thursday, February 22, 2007 to discuss the U of W pension solvency issue. At the end of the meeting all parties agreed not to divulge the details of what was discussed. However, from the perspective of the unions involved the meeting was productive and opened the door to future meetings between all parties involved in the issue.

The meeting was held at the

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Association of Employees  
Supporting Education  
Services (AESES)  
International Union of  
Operating Engineers  
(IUOE)  
University of Winnipeg  
Faculty Association  
(UWFA) Main Unit and  
Collegiate Unit

## Should I retire now?

The U of W administration's attempts to alter the cost-of-living-allowance (COLA) provisions for pensioners have placed a number of U of W Faculty Association main-unit members in a difficult situation.

If the pension-plan provisions being proposed by the administration come into effect, these members would have to retire in 2007 if they wish to retain the current COLA benefits. Given there is a requirement to give six-months notice of retirement, UWFA main-unit members are faced with the prospect of having to announce their retirement very shortly if they wish to retire on August 31, 2007.

### Legal opinion

The UWFA and other campus unions are currently opposing the Administration attempts to impose changes to the pension plan. However, the final resolution of the issue cannot be predicted with certainty.

The UWFA's legal counsel has prepared a legal opinion for the union on this issue. The opinion notes that "Members have to determine for themselves how much risk they are comfortable

accepting that the amendments might yet be made" to the pension plan.

It also recommends that anyone pondering retiring before the end of 2007 as a result of the uncertainty over the early retirement provision:

- Contact their dean in writing as soon as possible to indicate that, given the uncertainty about the future of their pension benefits, they are now considering retiring earlier than anticipated. In this letter they should request a waiver of the notice requirements referred to in Article 31.01 of the main-unit collective agreement so they can obtain more time to make a decision.

- Address their questions about the specifics of their retirement situation directly to the administration in writing, asking that the administration provide information as to its intentions concerning the pension plan.

Members are urged to send copies of such correspondence to UWFA Staff Officer Lisa McGifford by university mail or to [l.mcgifford@uwinnipeg.ca](mailto:l.mcgifford@uwinnipeg.ca). Members interested in reading the legal opinion should contact McGifford at 789-1441.

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request of AESES and UWFA. It was spurred by the administration's distribution of a letter from Parr to the U of W that left the impression that the government was insisting that the U of W pension plan reduce benefits, raise premiums, and change the early retirement provisions if it wishes to receive a permanent exemption from current solvency funding requirements.

Hansen and Moyle wanted the meeting so they could make clear to the government that until very recently, UWFA and AESES were unaware that the administration and the government had entered into discussion to reduce pension plan benefits in exchange for an exemption from solvency requirements. Furthermore, aside from a last-minute invitation to attend a January 25, 2007 breakfast meeting, the UWFA and AESES had never been asked to participate in discussion between the U of W and the government, despite the impact proposed pension plan changes would

have on their members.

In preparation for the meeting, UWFA and AESES representatives met with their actuaries and lawyers to review the available information relating to the pension plan.

## No new proposals from university

At its January meeting, the Board of Regents directed the administration to attempt to win stakeholder approval to its plan to reduce benefits, increase contributions, and alter the current early retirement provisions by February 28, 2007.

In response AESES, IUOE, and UWFA have informed the administration it should contact their legal advisers with any new proposals for addressing pension-funding issues.

At press time (February 22, 2007) the administration had not approached the unions with any new proposals.

## U of W's spotty application of Pension Committee by-laws and commitments

In 2004 the University of Winnipeg Board of Regents agreed to establish a trustee governance structure for the pension fund. Three years later no such structure has been put in place. The Board was much quicker to react when it discovered that a recent appointment to the U of W Pension Committee had been made in violation of the Pension Committee bylaws.

University of Winnipeg Students' Association President Kate Sjoberg has been removed from the U of W Pension Committee after attending just one meeting. At that one meeting, on January 24, 2007, Sjoberg voted, along with the union members of the committee, to reject the Board's proposed changes to the pension plan.

The Board removed Sjoberg from the Pension Committee because she is an internal Regent and the pension by-law requires the Board to appoint external Regents to the Pension Committee.

It is clear that in appointing Sjoberg, the Board had violated the Pension Committee bylaws. However, those bylaws also stipulate that there be quarterly Pension Committee meetings, a stipulation that has not been met in any of the past three years. Some rules and commitments would appear to be more important than others.