

# Pension Plan Update #4

## Retirement notice extended

In response to a UWFA request, U of W Vice-President Academic Brian Stevenson agreed to shorten the normal notice requirements for retirement. The deadline for notice for members to retire as of August 31, 2007, has been moved from February 28, 2007 to April 29.

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## Positive developments on pension issue

Preparations are underway for talks between the U of W administration and the university unions to resolve the university's pension deficit issue. The way was opened for these talks on March 2, when the administration tabled a proposal that moved beyond its previous proposals to increase contributions, change early retirement, and reduce cost-of-living provisions.

All parties have agreed that the current talks will be carried out in confidence.

The administration also agreed that the process of transition to a trustee pension plan would commence with a meeting of the parties' legal advisors. The fundamentals contained in the most recent draft of the proposed agreement (known as Draft 19) would be maintained, although the document would have to address any changes required by

the resolution of the solvency issue.

### Provincial conditions

The administration proposal came on the heels of a joint meeting between university union representatives, the administration, and provincial Deputy Minister of Labour Jeff Parr. At that meeting, Parr outlined the provincial conditions for granting the university a permanent solvency exemption. These were:

- The university must continue to do solvency valuations as required by the legislation (above 90 per cent funded – every three years, below 90 per cent funded – each year)
  - No changes to the pension plan may be made that would take plan valuation below 90 per cent of the solvency amount, and the plan must remain funded at or above
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# Positive developments on pension issue

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the 90 per cent level at all times

- In the event of a windup of the University or of the pension plan, the University would be required to pay any solvency deficiency in full.

If the government's actuaries approve the recommendations put forward by the stakeholders, the province would permanently exempt the University from future solvency deficiency payments. Finally, Parr indicated that he would be prepared to examine other solutions that would make the plan sustainable, even if they did not contain the previous proposals for increased contributions, decreased COLA benefits, and reduced early retirement provisions.

## Next steps

This week union actuaries are analyzing the new proposal from the administration and any alternative approaches to the solvency issue. These meetings will be followed by meetings with the administration, the unions, and their advisors to settle upon a proposal to be recommended to the unions' executives and to their members.

Union legal advisors are also commencing work on implementing the trusted pension plan.