

# **PENSION PLAN REFORM**

## **Information Bulletin #1**

At the employer's request, the Association of Professors of the University of Ottawa (APUO), the International Union of Operating Engineers (IUOE), the Ontario Secondary School Teachers' Federation (OSSTF-FEESO), the Professional Institute of Public Service of Canada (PIPSC-IPFPC), and all other groups who participate in the current University of Ottawa pension fund, have begun this semester a consultation process towards the possible reform of the pension regime, in order to assure its sustainability and in response to the Ontario budget 2012. This is not the first time, over the last few years, that a consultation similar to this one has taken place. During the last consultation, more than two years ago, APUO, IUOE, OSSTF-FEESO and PIPSC-IPFPC (who collectively represent approximately 80% of individuals contributing to the pension fund) shared with the employer a comprehensive proposal for pension reform, which, at that time, never received a proper answer.

APUO, IUOE, OSSTF-FEESO and PIPSC-IPFPC are now working in close collaboration through a single common approach. We have recently communicated with the employer to remind it of that fact, and to let it know that a new consultation cannot, strictly speaking, begin any other way than with a proper and comprehensive answer to that reform proposal. It goes without saying that only a just and fair reform could eventually be presented to all of our members for ratification.

To that extent, we find it important to reiterate that the pension regime is one element of our total compensation, as are salary and other benefits. So, the employer's contribution is, in reality, the members' money (the employer could pay the exact same amount in salary without increasing its costs). Thus any decrease in the contribution directly made by the employer to the pension fund would evidently be a reduction in our compensation.

It is therefore clear for APUO, IUOE, OSSTF-FEESO and PIPSC-IPFPC that the issue of pension reform is to be understood in the broader context of our total compensation, and that this position will guide all of our discussions.

Finally, we also find it important to remind everyone of the University's sound financial situation. As demonstrated in the analysis APUO sent to its members last January (see [Negotiations Update 7](#)), the University has accumulated surpluses representing more than \$500 million from 2001 to 2011. Furthermore, according to the University's [consolidated financial statements](#), there was a \$28 million surplus for the year 2011-2012.

We will of course keep you informed of any and all developments, as and when they unfold. Keep an eye open for future information bulletins.

Sincerely,

APUO, IUOE, OSSTF-FEESO and PIPSC-IPFPC