



BARGAINING UPDATE 2

June 29, 2011

CUPE BARGAINING MEETINGS WITH GOVERNMENT CONCILIATOR

The Locals met with the University in conciliation talks last Thursday and Friday, June 23 and 24 in hopes of coming closer to a settlement on the bargaining of the renewal collective agreements. In short, we appear to be further apart than last anticipated.

When we met at the end of April, the employer brought to the table a rather surprising proposal around pension plan contribution increases for members. We then held a meeting on May 17 with the employer and our CUPE Pension Specialist, Kevin Skerrett, to understand from their perspective what the concerns were with the Pension Plan. We were supplied some initial information at that meeting, and then more again at the multilateral table meeting held on May 31 with all the member associations and unions.

EMPLOYER PENSION PROPOSALS

It appears that the university has reached definitive conclusions with respect to what they consider to be “necessary” to carry the pension plan into the future, and they have done so without providing an opportunity for meaningful negotiation with any of the member associations and unions. These conclusions involve a package of changes, including rollbacks to early retirement provisions, indexation, and other important issues, along with significant increases to member contribution rates. With respect to the members of the CUPE Locals, they have determined that the benefit cuts in their package can be simply implemented unilaterally, without negotiation. As a result, the primary part of their pension proposal at the bargaining table is the proposed member contribution increase – which they acknowledge must be negotiated, since it is stipulated in two of the three collective agreements.

Employer Pension Proposals – con’t

Up until recently, CUPE was operating on the (previously respected) premise that changes to the pension plan would be negotiated through the multilateral table that had representation from all Unions and employee groups. This is clearly no longer the case. Rather, the university is presenting its proposals for contribution increases, and not negotiating but merely announcing the other changes – including benefit reductions – that they have decided upon. They have also indicated that they are not willing to look at any other possible scenarios. Nonetheless, having now received the announcement of their intended plan changes across our bargaining table, and understanding that the university has an obligation under our collective agreement to “discuss” any “amendments” that they may want to propose or implement, CUPE is taking the position that we are now able to bargain with respect to these proposed changes in the plan.

At our table on Friday, the university agreed to allow us to engage our own actuary and provide full access to the plan actuary and the relevant data in order for us to be able to properly evaluate their proposals.

Broadly speaking, while we have indicated that we are prepared to negotiate over these pension issues, we are disappointed that the university has taken this course. We remain convinced that the single, common bargaining table with all bargaining agents participating was the appropriate venue for working out changes. We are concerned that the university’s decision to approach individual bargaining tables opens the door to very different outcomes for different employee groups, and different benefits and contribution levels depending on your union or association. We will continue to express this concern, and seek any opportunity to return this discussion to a common table.

WHAT IT MEANS TO YOU

The proposed changes the university want implemented will increase the cost to you now and throughout contributing to the plan and reduce the value of your pension when taking it. A quite thorough overview of the proposed changes was recently distributed widely in a QUFA Bargaining Alert (13). You can access their Alert on the QUFA website at: (http://www.qufa.ca/bargaining/alerts/13_alert_2011.06.21.pdf).

We are in the process of preparing our own CUPE bulletin which will provide further commentary on these proposed changes.

URGENT? WE DON'T THINK SO

The pension funding challenges at Queen's are not unique, nor are they insurmountable. Nonetheless, the university has recently published various statements which argue that the situation that they face is "urgent", and that their pension costs must be reduced in the very near future. This position is misleading for several reasons. First, there is no doubt that the university will qualify for the first "stage" of the government's solvency relief program, in part because the only criterion is that the plan be eligible (which it is) and that the university request it. Once granted, that relief will greatly reduce the university's pension funding obligations for the next three years. The second stage of the solvency relief program – at which point certain changes will be required – would not begin before August 2014. Moreover, the next actuarial valuation report will not be submitted to pension regulators until May 2012. In sum, there is no urgent pension funding crisis facing the university this year. For all of these reasons, CUPE remains of the view that a single, common negotiating table for addressing outstanding issues remains the viable, preferable path.

NEXT STEPS

Like most other employee groups on campus, CUPE has repeatedly expressed a willingness to consider certain changes to the Queen's Pension Plan, if they are designed coherently, and the primary benefits of the existing plan are protected. We are prepared to bargain with the university such changes, but we will require access to the relevant plan information, as well as the time and opportunity to engage with our own actuarial expertise. As always, we will bring the results of our analysis to the membership for your feedback and input on how to proceed. We look forward to doing this over the summer months.

In the meantime, we will be holding a joint 'town hall' meeting of CUPE Locals 229, 254 and 1302 hopefully on Tuesday, July 12th at 6:00 pm. Please mark your calendars and plan to attend. Watch for a future notice that will indicate the venue.

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