

Agreement on Mandatory Retirement.

The Executive of SFUFA is recommending that members vote

YES

**to ratify the attached proposal on revisions
to retirement policies at SFU.**

This document and the proposed agreement are available at:
<http://www.sfu.ca/~cschwarz/MandRetire/MRagreement.pdf>

An agreement was reached late on Thursday, 10 May 2007 to revise current SFU policies on retirement.

The formal agreement appears at the end of this document. Key provisions of the agreement (applicable to ALL members of the SFUFA bargaining unit) are:

- **Suspension of imminent retirements.** Members who are scheduled to retire effective 31 August 2007 are no longer required to retire. These members have until the end of June to inform the University of their intentions for 1 September 2007, i.e. if they are still planning to retire; or if they wish to continue to work full time; or if they wish to start a phased retirement; or other options. **Because your decision to retire will be irrevocable, SFUFA strongly recommends that these members seek advice before making any decision.**
- **No modification to current performance review.** There is NO modification of our current performance review system under this agreement. SFUFA has agreed to continue talks about improving the system.
- **“Normal retirement date.”** This is just a definition used in pension plans. Unless you tell the University otherwise (see below), it is assumed that you will continue working past the “normal retirement date”.
- **One year notification period.** Members should give between one year and 18 months **written** notification of intention to retire. For example, notification in early September of your intention to retire the following September would be the minimum expected. Shorter notices are possible, but may not be automatically granted (e.g. if you give notice on 29 August of your intention to retire in 2 days and are scheduled to teach the next term, the University will likely refuse your request.). **Because notice of retirement is irrevocable, SFUFA strongly suggests members obtain advice before giving notice.**
- **Retention of (nearly all) benefits for member who work past traditional retirement date.** Members who decide to work past the traditional retirement date (i.e. after 31

August following your 65th birthday) will receive full benefits (including pension contributions until limited by law or until you draw a pension) except for discontinuance of accidental death and dismemberment; discontinuance of long term disability coverage; and a reduction in life insurance coverage from 2x your annual salary to 1x your annual salary. All other benefits, including health and dental benefits, study leave, sick leave, PDR, etc continue unchanged. There is a limitation on optional life insurance (which is fully paid for by a member) where it will no longer be possible to insure a spouse when the member continues working past the normal retirement date.

- **No changes to post-retirement benefits.** There are no changes to post-retirement benefits to those members hired prior to 1 Sept 2001.

- **Post-retirement benefit group rates now available to excluded members.** SFUFA members hired after 1 Sept 2001 who are currently excluded from participating in post-retirement benefits can now join the group plan of other retirees by paying the plan premiums. While this does not eliminate the disparity in the costs of post-retirement benefits to these members, they will benefit by being able to participate at group rates rather than trying to purchase individual coverage. SFUFA is still committed to restoring post-retirement benefits to the excluded members in future negotiations.

- **Phase-in to retirement options.** A three-year phase-in to retirement is now available. Members can reduce their workload over a three-year period (the actual reduction schedule is flexible) with a corresponding reduction in pay. The agreement states that the total workload over the three year period must total between 150% and 225% of a total load. For example, one plan could have a 50%, 50%, 50% workload in each of the three years (total is 150%), or a 75%, 50%, 25% workload in each of the three years (total is 150% as well), or a 75%, 75%, 75% workload in each of three years (total is 225%). However, a 25%, 25%, 25% workload in each of the three years is too little (total is only 75%).

Pension contributions and other benefits continue during the phase-in based on your nominal salary. For example, if you choose a 50%, 50%, 50% option, your workload will be reduced in half with a commensurate reduction in salary, but pension contributions are still based on 100% of your salary. The only benefit lost during the phase-in to retirement is the ability to accumulate study leave. While it is possible to take a study leave during the phase-in period, you would be taking it at a reduced salary. **SFUFA strongly suggests that all study leaves be used BEFORE starting a phase-in plan.** Please contact the SFUFA office for help in planning for study leaves near retirement.

There is no age limit on participation in this plan, but because pension contributions are limited by the Income Tax Act (currently after age 69 with a planned increase to age 71), there is little incentive to start participation after age 68. The University cannot refuse you a phase-in to retirement plan. **Written** notice of entering such a plan is required with a minimum one-year notice, but shorter notice periods may be accepted. **SFUFA strongly suggests that all details of the plan be outlined in writing before the plan starts and before you give your official written notification of starting such a plan.**

A change in scope (the balance between teaching, research, and service) is also possible (with or without a reduction in workload). For example, you may wish to concentrate only on teaching or on research or on service during some or all of your phase-in to retirement. This is not automatic and the change in scope must be acceptable to your Chair and the Dean of your Faculty.

The proposed agreement suggests a three-year phase-in period, but other time periods are possible with agreement with the University. If you wish to phase-in to retirement that is not the standard three year plan, don't hesitate to ask – the worst that could happen is the University will say no. **SFUFA strongly suggests you get all details in writing before starting a revised plan.**

The current enhanced retirement policy (A21.06 available at <http://www.sfu.ca/policies/academic/a21-06.htm>) is still in effect but is limited to those planning to retire before the normal retirement age, and the University has the right of refusal. For those members planning to retire before age 65, **the current enhanced retirement policy may be more advantageous. SFUFA strongly suggests that you seek advice before making a decision.**

Because notice of participation in a phase-in to retirement is irrevocable, SFUFA strongly suggests you seek advice before giving notice of participation in a plan.

Members should also be aware of other policies that may be useful near retirement. For example, Policy A11.06 (Modification of Appointment) provides moving to a reduced appointment (with reduction in salary, but pension contributions based on nominal salary) without a three year limit, but only upon agreement with the University. Policy A30.03 (Work load policy) also provides for a change in scope (distribution of duties among teaching, research, and service), but only upon agreement with the University. Not to sound like a broken record, but **SFUFA strongly suggests you seek advice about your options near retirement.** Don't be afraid to ask for something not explicitly written in policy – the worst that can happen is you get a no response.

• **Help in retirement planning.** As well as the seminars put on by the University outlining retirement options, members can now receive some individual counseling.

Our agreement in context:

Negotiations to end Mandatory Retirement at SFU have been on going for several years. Negotiations were very difficult and proceeded slowly until the recent introduction of the bill in the BC legislature that removed mandatory retirement effective 1 January 2008. Details of the bill are outlined at: http://www.leg.bc.ca/38th3rd/1st_read/gov31-1.htm

UBC recently came to an agreement on mandatory retirement (http://www.facultyassociation.ubc.ca/news&events/retirement/MR_MOAMay2007.pdf). Not unexpectedly, our agreement is very similar to the one at UBC. UVic has agreed to suspend mandatory retirement for those scheduled to retire before the end of 2007, but has not yet finalized all other details. (<http://web.uvic.ca/facassn/mandret.htm>). They are scheduled to return to the bargaining table near the end of June.) UNBC suspended mandatory retirement last June – details are similar to ours except they also agreed to changes in performance review system (http://web.unbc.ca/~faweb/faculty_agreement.pdf - Article 19).

Our agreements are very similar to those that took place in Ontario and other provinces in recent years. A summary of their agreements is available at: http://www.ocufa.on.ca/retirement/benefit_provisions_post_age_65.pdf.

We were unable to negotiate a retirement allowance to give additional incentive for members to take the phase-in retirement options. However, the phase-in options will be reviewed on a regular basis to improve them and iron out any unexpected problems.

Thanks to the negotiating team and members who advised the negotiation teams. It is not possible, nor practical for a single person to complete successful negotiations with the University.

The current bargaining team consisted of Carl Schwarz and Susan Stevenson. Also thanks to Malgorzata Dubiel and her team who did much of the hard work in setting the stage for these final months during the very long and protracted negotiations over the last two years.

The Committee to advise on Mandatory Retirement also played a key role in providing advice to the negotiating team and has been very important for ensuring that the negotiation team reflects our membership views. As an aside, these committees are a “low-impact” way for individual members to give very sharp, specific advice to SFUFA and to see how SFUFA works for its members.

Members who served on these committee included Robert Anderson, David Bell, Mark Bodnar, Glenn Chapman, Richard Coe, Deborah Connolly, Malgorzata Dubiel, Laurent Dobuzinskis, Michael Fellman, Andre Gerolymatos, Curt Griffiths, Margaret Jackson, Michael Kenny, Jon Kesselman, Don Kugler, David Mirhady, Hilmar Pabel, Paul Percival, Marianne Reid, and Yaroslav Senyshyn.

If I've forgotten to list a member involved on the negotiations, it is purely an oversight, and I apologize in advance.

SFUFA also wishes to thank Rob Clift of CUFA/BC for their campaign to end mandatory retirement (<http://www.abilitynotage.com>). CUFA/BC was able to effectively lobby

members of the BC Legislature to ensure that the views of faculty members across BC were heard.

Further questions.

If you have further questions, please contact Carl Schwarz (cschwarz@stat.sfu.ca) or Susan Stevenson (stevenson@sfu.ca).

SFU Retirement Agreement

Transition Period

- It is agreed that mandatory retirement for members who are scheduled to retire between May 1, 2007 and December 31, 2007, is suspended. Those members who were scheduled to retire on August 31, 2007 must advise the University of their intention to retire or not to retire by July 1, 2007 or earlier if possible.

Notification Issues

- Revise Policy A 30.07 (Retirement Date: Faculty Members) section 1 to read:
 1. The **normal** retirement date for faculty members shall be the first day of September next, succeeding their sixty-fifth birthday.
- Members will give at least twelve months notification of their retirement, and preferably eighteen months. This period may be reduced by mutual agreement of the member and the University. Once notification is given it is irrevocable.

Normal Retirement Date

- The concept of “normal retirement date” (“NRD”) at age 65 as defined in the existing version of the Academic Pension Plan Text is retained.

Benefits

- Modify Policy A 21.01 (Benefits for SFUFA Bargaining Unit Members, Retirees and Visiting Faculty) to reflect this agreement.
- Members working past the age of NRD until the date that the member retires will receive all benefits with the following exceptions:
 - Accidental Death and Dismemberment is discontinued
 - Long Term Disability is discontinued
 - Basic life insurance is reduced to 1 x normal salary (to next \$1,000)
 - Optional life insurance is available for members only
 - Sick leave (Members working past their NRD who have exhausted their sick leave entitlement and are unable to return to work and perform the full scope of their duties may either elect to retire or to remain on an unpaid leave of absence for a maximum of 24 months. The extent of coverage during such an unpaid leave of absence is subject to carrier approval and the cost of premiums will be paid by the member.)
 - The University’s pension contributions will cease when a faculty member elects to receive a pension from the Academic Pension Plan or by applicable legislation (currently age 69 under the Income Tax Act).

- For those faculty members who are hired after September 1, 2001 and not eligible for retiree benefits, such members at the time of retirement will be given the option to join the applicable retiree group but will be required to pay the full cost of the premium coverage.

Retirement Options

1. All SFUFA members aged 60 and over who have 10 years of full-time continuous service may elect to participate in one of two retirement options after giving notice. Eighteen months notice is preferred, but a minimum of twelve months is required, which may be waived by mutual agreement of the member and the Chair. Each option is 3 years in duration plus the notice period.

The options are:

- (1) Reduced Workload Appointment
 - (2) Reduced Scope Appointment (change allocation among teaching, research and service)
2. Where a member takes a retirement option, their eligibility for study leave is as provided in the Academic Study leave policies except as follows:
 - a) There will be no further accrual of service towards study leave eligibility once a retirement option has commenced;
 - b) Where a member may be eligible for a study leave it must be planned before entering into a retirement option and completed within the time of the option;
 - c) Salary paid during the study leave will be at the percentage provided in the study leave policy times the actual salary received during the retirement option.
 3. The Retirement Options will be implemented commencing September 1, 2007. Beginning January, 2008, the parties agree to annually review the results. There will be a period of grace for the notice provisions for those whose normal retirement date is September 2007.
 4. Option 1: Reduced Workload Appointment
 - a) A member may elect to take a reduced workload appointment for a maximum of three years. This period of time can be altered with the agreement of both parties.
 - b) A member who elects to take this option must continue to perform the full scope of their duties.
 - c) Notice by a member to enter into this option constitutes irrevocable notice to retire.
 - d) Salary during a Reduced Workload Appointment is commensurate with percentage of workload performed.
 - e) The member may select an appointment over the three year period between 150% and 225% of the total appointment. This can be modified by mutual agreement of the member and the Chair.

- f) Full benefits will be maintained based on the nominal salary.
- g) Pension contributions will be based on the nominal salary.

5. Option 2: Reduced Scope Appointment

- a) A member may request from his/her Chair and Dean a Reduced Scope Appointment. The Reduced Scope Appointment option is for a maximum of three years. This may be accompanied by a reduction in workload under Option 1 allowing for a full or part time appointment.
- b) A Reduced Scope Appointment provides for reduced scope of duties where the member can request a reduction in their contribution in one area of their duties, and possibly increase it in others.
- c) Approval of a Reduced Scope Appointment is at the sole discretion of the Dean of the Faculty (or equivalent), upon the recommendation of the Chair.
- d) Notice by the member to enter into this option constitutes irrevocable notice to retire.
- e) The maximum period for a Reduced Scope Appointment is three years. The duration of the Reduced Scope Appointment may be modified with the agreement of the parties identified in (c) above.
- f) Salary during a Reduced Scope Appointment is commensurate with percentage of workload performed.
- g) Full benefits will be maintained based on the nominal salary.
- h) Pension contributions will be based on the nominal salary.

Pre-Retirement Support

The University will provide;

- One day session for members who are interested in retirement planning.
- For members who are at least 60 years old, provide up to three hours of individual counseling with a University approved financial consultant.

May 10, 2007
Time 7:54 pm

The terms of this Agreement are in accordance with the terms of the Framework Agreement, specifically s.9 and s.14.1 (Interpretations)

For the University

Date

For the Faculty Association

Date