

November 22, 2010

Dear Fellow Queen's Employees:

In last Friday's e-Queen's Bulletin many of you will have read the Administration's upbeat report of the resumption of pension talks on November 18, 2010. We participated in that meeting and we want to give you our take on what has transpired.

First, you need to know that pension re-structuring discussions between the Administration and the employee groups have been going on since 2005. By early 2010, we believed that we were very close to having solutions that, according to actuarial calculations, would have put the Queen's Pension Plan (QPP) on a sustainable footing for currently active plan members. Rather than build on the progress made and the goodwill fostered between the stakeholder representatives, Principal Woolf unilaterally suspended the Administration's role in discussions following the May 2010 Board of Trustees meeting. He then established his own "Pension Working Group" to re-assess the situation; a group that had no representation from employee group members. Once we became aware that the prior process had been interrupted, we requested an opportunity to meet and discuss the issues troubling the Principal and the "Pension Working Group". The request was denied. We also posed specific questions about the Administration's apparent change in position. Our questions went unanswered.

Secondly, there are no new data to contradict the actuarial calculations upon which the parties based their proposed solutions during negotiations last Fall. The "dramatically-changed investment landscape" has been apparent for at least the last two years. Furthermore, the new provincial solvency relief strategy directed at the university sector was announced in August, months after the Principal unilaterally suspended discussions.

The November 18 meeting, chaired by V-P Caroline Davis, was disappointing. The Principal's "Pension Working Group" has developed a new re-structuring proposal that ignores other possible options. We cannot go into the details with you yet but many of the elements of the new proposal are unsatisfactory to us. Although the government's solvency relief regulations have not been finalized, the Administration's new approach reflects the anticipated content of those regulations. If implemented they would have a major negative impact on our future pensions. The basic thrust of the Administration's new proposal is to download risk and significantly increase pension costs to currently active Plan members. While it would succeed in reducing Queen's financial obligations, it would do so on the backs of our members. This is, and will continue to be, unacceptable to the employee groups.

At the November 18 meeting, a number of undertakings were given by V-P Davis. We will wait until she has delivered on those undertakings before taking any decisions on how to proceed. Notwithstanding the Vice-Principal's desire to move with haste, there is no rush. We will take as much time as needed, we will continue to seek external actuarial pension advice, we will act in the best long-term interests of our members, and we pledge to keep you informed.

Roy Campsall
President, CUPE 254

Pat Cummings
President, CUPE 229

John Holmes
Chair, QUFA Pension Working Group

Mark Publicover
President, QUSA

Arlie Redmond
President, CUPE 1302