

**Date:** 2009.04.20  
**To:** AUFA Members  
**From:** Bob Barnetson, on behalf of the Salary and Benefits Bargaining Team  
**Re:** 2009 Salary and Benefit MOA

On March 31, 2009, the AUFA and AUGC bargaining teams signed a Memorandum of Agreement (MOA) regarding salaries and benefits bargaining. The MOA has been provided to you as a separate attachment. This document is an annotated MOA that outlines the changes in detail and explains the implications of each change.

Voting on the MOA will be completed electronically and information about electronic voting will be sent to each AUFA member following the ratification meeting on April 27<sup>th</sup>. If both the AUFA membership and AUGC ratify the MOA, the changes set out in the MOA will be integrated into the existing collective agreement effective July 1, 2009. AUGC has indicated it expects to ratify the week of the 27<sup>th</sup>.

The key points are:

- (a) Salaries and salary ranges will increase 4.4% effective July 1.
- (b) The health and wellness fund increases from \$750 to \$875 and can be allocated to a Health Spending Account, a cash payment or your PD account.
- (c) LSIs for professionals and academic coordinators will be paid annually (instead of bi-annually) and both groups will now receive six 1.37% LSIs.

**ANNOTATED MOA**

#	MOA Proposed Language	Analysis and Explanation
1	The Collective Agreement term shall be July 1, 2009 to June 30, 2010.	All changes take effect July 1, 2009.
2	Schedule A-1, Schedule A-2, and individual salaries shall be increased by 4.0% commencing on July 1, 2009.	Individual wages and salary grids increased by 4.0% on July 1. Item 9 (below) adds an additional 0.4% to this amount from the benefit reconciliation.  The total settlement is thus 4.4%.
3	Schedule A-3  <b>Category of Work</b> <b>Payment Schedule</b> Prior Learning            \$60 Assessment	PLAR assessment overload payments have been increased by \$18 per assessment.

4	<p>19.1 Upon initial appointment to Athabasca University, a regular Staff Member shall be eligible to receive a removal allowance to assist the new Staff Member in the costs of physical removal of the Staff Member, the Staff Member's immediate family, and necessary personal effects from the Staff Member's place of residence at the time of appointment to Athabasca University.</p> <p>19.2 The value of the removal allowance shall not normally exceed one (1) month of salary. However, where long distances or exceptional costs are involved, the appropriate executive officer may extend eligibility for, or the amount of, a removal allowance.</p> <p>19.7. The form of the allowance may include any combination of a travel advance to assist with the payment of expenses upon arrival at the University and prior to the submission of an account of costs, reimbursement, or direct payment to commercial movers or other suppliers (by means of a purchase order or similar instrument) as agreed between the Staff Member and AUGC.</p>	<p>This rewording of the relocation allowance article clarifies the article by stating the purpose of relocation allowances in 19.1, the amount in 19.2 and the method of payment in 19.7.</p> <p>The change also allows AUGC to directly make payment to moving companies (which was their practice, despite it contravening the collective agreement).</p>
5	<p>Amend the Letter of Understanding—Joint Benefits Committee and Benefits Plan Reporting effective July 1, 2009 to read:</p> <p style="text-align: center;"><b>Letter of Understanding—Joint Benefits Committee and Benefits Plan Reporting</b></p> <p style="text-align: center;">Between</p> <p style="text-align: center;">The Athabasca University Faculty Association (“AUFA”)</p> <p style="text-align: center;">And</p> <p style="text-align: center;">The Athabasca University Governing Council (“AUGC”)</p> <p>The parties agree as follows:</p> <ol style="list-style-type: none"> <li>1. The Joint Benefits Review Committee consists of two (2) persons named by each party plus representatives from other benefits plan stakeholder groups that choose to</li> </ol>	<p>The changes in this letter are minor and include:</p> <ul style="list-style-type: none"> <li>• extending the expiration date of the letter,</li> <li>• requiring agreements to be in writing, and</li> <li>• requiring the chair to rotate.</li> </ul> <p>AUFA sought these changes to address the manner in which this “joint” committee was being run by the employer's representative.</p>

participate in the deliberations of the Committee.

2. The Joint Benefits Review Committee shall be chaired by AUGC and AUFA on a six-month rotating basis with administrative support provided by Human Resources.
3. The Committee shall have a mandate to:
  - Review all plans with respect to experience, administration, adequacy of coverage, rates, plan design, and comparison to similar institutions, and recommend to their principals such alterations to any plan(s) it deems necessary;
  - Develop a strategy and implementation program for cost containment;
  - Review in such a way as to not breach the confidentiality of individuals, all known problems arising with respect to the application of the benefits plans.
4. No changes shall be made or agreed to by the parties in respect of the benefits levels, coverages, or premium rates of each and all plans listed in Schedule B of the Terms and Conditions Agreement Between AUGC and AUFA except as a result of written agreement between AUFA and AUGC or as may be required by law.
5. AUGC will supply AUFA with a copy of the master policy of each of the Plans specific in Schedule B and copies of all correspondence, other than that dealing with individual claims, between AUGC, the carriers of the respective plans, and consultants with respect to the Plans specified in Schedule B.
6. The Joint Benefits Review Committee shall remain in full force and effect until June 30, 2010 and may be extended by the mutual agreement of both parties.

Signed this \_\_\_ day of \_\_\_ 2009

For the Council  
For the Association

6	<p>Add a Letter of Agreement— Discretionary Benefit Funds to the collective agreement, effective July 1, 2009.</p> <p><b>Letter of Understanding—Discretionary Benefit Funds</b></p> <p>Between</p> <p>The Athabasca University Faculty Association (“AUFA”)</p> <p>And</p> <p>The Athabasca University Governing Council (“AUGC”)</p> <p>The parties agree as follows:</p> <p>(a) All Staff Members shall receive an annual discretionary benefit allotment of <u>\$875.00</u> each July 1. Staff Members appointed after July 1 each year shall receive a pro-rated amount reduced by 1/12<sup>th</sup> of the allotment per month past July 1.</p> <p>(b) Staff Members shall determine by May 31 how much money to allocate to their Health Spending Account, how much money to allocate to their Professional Development Account (as set out in Schedule B), and how much money to allocate to a cash payment (taxable) in the following year and inform Human Resources. Staff Members appointed after May 31 shall make this determination at the time of hire.</p> <p>(c) In the event an eligible Staff Member does not make an allocation, all monies shall be considered allocated to the Professional Development account.</p> <p>(d) The Health Spending Account shall be managed by the Benefit Plan Carriers.</p> <p>(e) The \$875 allocation represents an increase of \$125 over the 2008/09 allocation. In addition, AUFA recognizes that some members may realize an income tax benefit via this allocation method.</p>	<p>The Health and Wellness Account was established in the 2006 MOA and has now been incorporated into the collective agreement as a letter of agreement.</p> <p>It has been renamed the Discretionary Benefit Fund and the value increased from \$750 to \$875 annually.</p> <p>Members can allocate this money in any amount among three options:</p> <ol style="list-style-type: none"> <li>1. A Health Spending Account managed by Blue Cross and tax-exempt.</li> <li>2. A cash payment made on their July paycheque and taxable.</li> <li>3. An addition to the PD Fund that exists under Schedule B (tax-exempt).</li> </ol> <p>If a staff member does not make an allocation decision each year, all funds will be allocated to the member’s PD account.</p> <p>The wording more clearly spells out how pro-rating for appointments after July 1 will be handled.</p>
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7	<p>(a) AUFA desires to explore the possibility of managing the provision of Group Life Insurance (including spousal and dependent life insurance), Group disability Insurance, Extended Health Care Benefits, Group Accident Insurance, and Group Dental Insurance that are currently set out in Schedule B.</p> <p>(b) To facilitate this examination, AUGC shall provide AUFA with statistical and summary information consistent with that required to market a benefits package and that exists within AUGC information systems regarding the benefits plans specified in point (a) above with respect to:</p> <ul style="list-style-type: none"> <li>• Demographic information (excluding information that makes individuals identifiable);</li> <li>• Usage experiences;</li> <li>• Rates;</li> <li>• Plan design;</li> <li>• Copies of all current master policies and amendment of these Group Benefit Plans;</li> <li>• Copies of all correspondence other than that dealing with individual claims between AUGC, the carriers of the respective plans, and consultants, that is not proprietary to the interests of the affected parties.</li> </ul> <p>(c) The date such information shall be produced shall be agreed upon between the parties when the request is made. Such requests and timelines shall be reasonable, given the nature of the request.</p>	<p>The purpose of these provisions is to allow AUFA to explore self-management of the benefit plan.</p> <p>Currently, the employer manages the benefit plan by engaging various carriers to provide benefits. These benefits are paid for by AUFA members with salary dollars that have been set aside in lieu of pay.</p> <p>When the plan runs a deficit, AUFA members make up the difference. When the plan runs a surplus (such as it did in 2008), AUFA members harvest the surplus (see item 9 below).</p> <p>Other faculty associations are establishing individual or multi-association benefit trusts. The trust engages carriers to provide benefits—essentially taking on the role currently performed by AUGC.</p> <p>The positive experience reported by St. Mary’s University coupled with the difficulty AUFA has had with the employer’s representative regarding benefit improvements has made AUFA interested in exploring the viability of this option.</p> <p>These provisions allow us to examine the viability of self-management and the cost savings it might entail. These provisions <u>do not</u> commit us to take any action.</p> <p>Should AUFA decide to seek self-management, this change would need to be negotiated with the employer.</p>
8	<p>The costs associated with the use of the Agent of Record shall not be included in future benefits costings as per the Letter of Agreement—Economic Benefits Negotiation Process. AUFA shall route all questions of the Agent of Record through Human Resources.</p>	<p>AUGC was costing the employment of an Agent of Record for our benefit plan to us (approximately \$26,000 per year), which is contrary to the costing language in the agreement.</p> <p>Rather than grieve this, they have agreed to stop doing this and, in exchange, we will route our requests through HR.</p>

9	<p>(a) At December 31, 2008, the Benefits calculation in this Letter of Agreement showed a surplus of \$107,890;</p> <p>(b) At January 23, 2009, AUFA requested improvements to benefits amounting to \$62,000, which AUGC implemented effective February 1, 2009;</p> <p>(c) AUGC shall retain the remaining \$45,890 in a benefits calculation reserve for a one-year period to June 30, 2010;</p> <p>(d) This amount of \$107,890 will be included in the present negotiated settlement, as per the Letter of Agreement—Economic Benefits Negotiation Process;</p> <p>(e) In the 2009-10 settlement, a percentage of 0.4% is to be added to the COLA adjustment to form the total settlement.</p>	<p>Each round of bargaining, AUFA and AUGC “settle up” the benefits account. In short, we cover any deficit and we harvest any surplus.</p> <p>The MOA language reflects that we had a surplus over the period of 2006-2008.</p> <p>The upshot is that we got an extra 0.4% added to our grids (see point 1 above). We also used the accumulated surplus to make \$62,000 in improvements to the plan (changes in dental and vision coverage effective February 15).</p> <p>We have an additional \$45,890 remaining in the benefit account with which to offset any deficits next year or to improvement benefits with.</p> <p>The next time we settle up the benefits account will be February of 2010. We expect to see a savings of approximately \$286,000 because of the elimination of Alberta Health Care premiums in January of 2009.</p>
10	<p>Replace the existing Schedule B language regarding Mid-Month Advances with the following language:</p> <p><b>Semi-Monthly Pay</b></p> <p>All Staff Members shall receive 1/24<sup>th</sup> of their annual salary and other annual payments (e.g., stipends), plus any irregular pay due (e.g., overload), less and statutory or contractual deductions required, no later than the 15<sup>th</sup> day and the second last business day of each month.</p>	<p>The new language has no effect on the overall amount of money you are paid each month.</p> <p>The new language slight alters (+/- \$10) how much money you receive at mid-month and the end of the month.</p> <p>The new language simplifies the calculation for the employer and makes it easier for us to see if we got paid the right amount.</p> <p>The employer has indicated it would like this change to take place on January 1, 2010.</p>
11	<p>Replace Articles 6.5.6 and 6.5.7 with the following language:</p> <p>6.5.6 Notwithstanding any other Section or Clause of this Agreement, a Professional Staff Member (other than those referenced by 6.5.3 or 6.5.4 above) or Academic Coordinator who has reached the top of his or her salary scale shall be eligible to receive six (6) long service increments (LSIs) as provided for below.</p> <p>6.5.7 Each LSI awarded shall be added to base salary. The value of each increment shall be 1.37% per cent. The LSI</p>	<p>Previously, academic coordinators were eligible for two 2.8% LSIs once they hit the top of the salary range. Professionals ere eligible for three 2.8% LSIs.</p> <p>One wrinkle with this system was that, if your last increment before the top of your salary range took your salary above the maximum, you only got the portion of the increment that was under the cap. Then you waited two years to get your first LSI. This dynamic will affect approximately 65 professionals over the next five years.</p>

<p>shall not remove the recipient from the recipient's rank.</p> <p>6.5.8 An eligible Professional Staff Member or Academic Coordinator shall receive the first LSI when he or she has:</p> <p>(a) Held a regular appointment for at least seven (7) years; and</p> <p>(b) Been paid at the maximum of the Member's salary range and achieved satisfactory assessment of performance for at least one (1) year as of the 1<sup>st</sup> of July in any year.</p> <p>6.5.9 An eligible Professional Staff Member or Academic Coordinator shall receive a further LSI on July 1 of every subsequent year after the awarding of the first LSIs conditioned upon achieving satisfactory assessment of performance during the preceding year until the staff member has received six (6) LSIs and not thereafter.</p> <p>Schedule A-1: Eliminate mention of academic coordinator LSIs.</p> <p>Schedule A-2: Eliminate mention of professional staff LSIs.</p> <p>The additional LSIs for academic coordinators is costed at 0.06%.</p>	<p>The proposed language gives both professionals and academic coordinators a total of six 1.37% LSIs, one awarded each year for six years.</p> <p>You will begin receiving LSIs after you have been paid at the maximum of the your salary range for one year, conditioned upon satisfactory assessment and having held a regular appointment for seven years.</p> <p>This new approach means the absolute maximum salary for professional staff (salary maximum plus 6 LSIs) is slightly lower than before (about \$100 less). This is offset by receiving money sooner (in years 1, 3 and 5).</p> <p>The net effect is that you come out ahead in money, unless you work for more than 30 years at the absolute maximum salary (salary maximum plus 6 LSIs). Based on the current age and salary distribution of professionals at AU, this seems an unlikely situation for anyone to find themselves in.</p> <p>The eliminated language in Schedules A-1 and A-2 is simply some clean-up that flows from the new language.</p> <p>One trick with changing the system from two/three steps to six steps is that we need to ensure no one who is currently receiving LSIs is disadvantaged. To this end, we included a transitional table in the MOA. My lame word processing skills won't allow me to embed that table within this table &lt;sound of cursing&gt; so I have included it below for your information.</p> <p>The upshot of the transitional table is that everyone who is past their maximum salary cap and meets the other requirements, ought to get a 1.37% LSI this year.</p> <p>For the few folks who are due a 2.8% LSI this year under the old system, you will get two 1.37% LSIs in the transition. This "double" LSI addresses the fact that these folks did not receiving a 1.37% LSI last year because, under the old system, LSIs were worth 2.8% and awarded every other year. It means they are neither advantaged nor disadvantaged by the move to the new system.</p> <p>The following examples explain the transition process:</p> <ol style="list-style-type: none"> <li>1. On July 1, Abbey has been at the top of the salary scale</li> </ol>
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		<p>for one year. Abbey gets a 1.37% LSI. Assuming everything goes well in the future, Abbey is eligible for five more 1.37% LSIs.</p> <ol style="list-style-type: none"> <li>2. On July 1, Blake has been at the top of the salary scale for two years. Blake gets two 1.37% LSIs. This double LSI makes up for Blake not receiving a 1.37% LSI last year because, under the old system, LSIs were worth 2.8% and awarded every other year. Assuming everything goes well in the future, Blake is eligible for four more 1.37% LSIs.</li> <li>3. On July 1, Cora has been at the top of the salary scale for three years. Cora gets a 1.37% LSI. Assuming everything goes well in the future, Cora is eligible for three more 1.37% LSIs.</li> <li>4. On July 1, Doug has been at the top of the salary scale for four years. Doug gets two 1.37% LSIs. This double LSI makes up for Doug not receiving a 1.37% LSI last year because, under the old system, LSIs were worth 2.8% and awarded every other year. Assuming everything goes well in the future, Doug is eligible for two more 1.37% LSIs.</li> <li>5. On July 1, Esther has been at the top of the salary scale for five years. Esther gets a 1.37% LSI. Assuming everything goes well in the future, Esther is eligible for one more 1.37% LSI.</li> <li>6. On July 1, Frank has been at the top of the salary scale for six years. Frank gets two 1.37% LSIs. This double LSI makes up for Frank not receiving a 1.37% LSI last year because, under the old system, LSIs were worth 2.8% and awarded every other year. Frank has reached the top of the LSI range and is not eligible to receive any additional LSIs.</li> </ol> <p>The few academic coordinators who had maxed out under the old two-step LSI system will receive a 1.37% LSI this year and move onto step 5 of the new six-step system.</p>
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**Transitional Language on LSIs.**

Effective July 1, 2009, all Professional Staff Members and Academic Coordinators receiving LSIs on the three-step system will be placed as follows on the six-step system and will commence moving forward from this point as per Articles 6.5.6 to 6.5.9:

<b>Position</b>	<b>Time Past Maximum Salary</b>	<b>LSI Placement</b>
Professional Staff Member	< 12 months	Not eligible
	12-23 months	1
	24-35 months	2
	36-47 months	3
	48-59 months	4
	60-71 months	5
	72 months and greater	6
Academic Coordinator	< 12 months	Not eligible
	12-23 months	1
	24-35 months	2
	36-47 months	3
	48-59 months	4
	60 months and greater	5

**ITEM UNRESOLVED**

Four of AUFA’s proposals were not resolved in bargaining. These include:

1. Overtime, call-in and on-call pay: AUGC was not prepared to bargain on these issues.
2. Child-care supplement: AUGC was not prepared to bargain on this issue.
3. Indexing PD funds: AUGC was not prepared to bargain on this issue.
4. Codifying administrative and marking stipends in the collective agreement: AUGC was not prepared to bargain on this issue.

These items remain on the Economic Benefits Committee’s “to-do” list over the next year.