

**Memorandum of Agreement ("MOA") between
McMaster University (the "Employer") and
McMaster University Faculty Association (the "MUFA") re: Pension changes
November 23, 2015**

WHEREAS the Employer and MUFA (collectively, "the Parties") welcome an opportunity to enter into constructive discussions regarding long-term pension benefit sustainability;

AND WHEREAS the Parties recognize that recent changes to the *Pension Benefits Act* have created a framework for Ontario university sector Plan sponsors to consider changing their plan structure to that of a formally recognized jointly sponsored pension plan ("JSP") model;

AND WHEREAS the Parties are actively participating in the University Pension Project ("UPP") discussions being coordinated by the Council of Ontario Universities ("COU") and the Ontario Confederation of the University Faculty Associations ("OCUFA") and directed at creating a sector-specific JSP which will be acceptable to the Parties and to both the provincial government and pension regulators;

AND WHEREAS the Parties note that the "Shared Principles" endorsed by the COU and OCUFA are as follows:

- i) Participation in a sector-wide or multi-employer JSP, as defined by the *Pension Benefits Act*, will be voluntary and open to all pension plan types and all employee groups.
- ii) A university-sector or multi-employer JSP will be non-statutory (which means that it will be negotiated by the parties that will be joining the plan).
- iii) A university-sector or multi-employer JSP will receive an exemption from solvency valuations and funding.
- iv) A university-sector or multi-employer JSP will include a guaranteed formula pension.
- v) A university-sector or multi-employer JSP will be fully funded on a going concern basis at inception.
- vi) Under this new equal partnership arrangement, each of the parties involved (plan members and their representatives, plan sponsors and administrators, and government) need to understand the potential benefits and negative implications of any proposal to create a university-sector or multi-employer JSP, so that an informed decision as to whether or not to proceed can be made.

NOW THEREFORE the Parties do hereby agree as follows:

1. The Parties acknowledge that the recitals set forth above are true and correct and further, the Parties understand and agree that such recitals are hereby incorporated into and form part of this Memorandum of Agreement;
2. This Memorandum of Agreement shall form part of and be incorporated into "The Principles for Negotiation of Faculty Remuneration" (Appendix I) of the "Terms of Reference for the Joint Administration/Faculty Association Committee to consider University Financial Matters and to discuss and negotiate matters related to Terms and Conditions of Employment of Faculty"

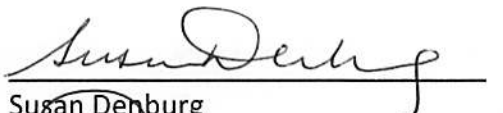
established between the Parties and which includes the Principle that "Faculty should look forward to a good pension upon completion of their academic careers";

3. The Parties agree, except for the Shared Principles, that the Parties may negotiate the terms of any proposed merger with a JSPP through collective bargaining or a mutually agreed alternative process, recognizing that such a merger and its terms would be subject to ratification by the Board of Governors.
4. The Parties agree that the University will not, before June 30, 2017 [expiry date of existing MUFA remuneration agreement] enter into an asset transfer agreement, make an application under the *Pension Benefits Act* to convert or transfer the assets and liabilities of the McMaster Salaried Pension Plan to a jointly sponsored pension plan, or enroll or cause MUFA members to be enrolled in any pension plan other than the McMaster Salaried Pension Plan without MUFA's written consent.. MUFA will use its internal MUFA processes as with other negotiated issues and based on past precedents to determine whether it will agree to any change in those provisions of the McMaster Salaried Pension Plan that apply to MUFA. Without this agreement, the application will not be considered voluntary, consistent with Principle (i) outlined above.

Dated this 23 day of November, 2015

For the McMaster Administration

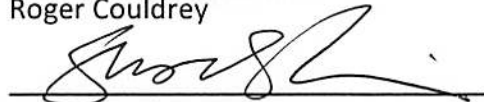
For the McMaster University Faculty
Association



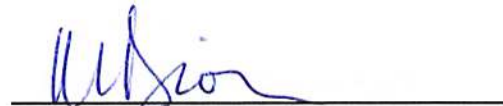
Susan Denburg



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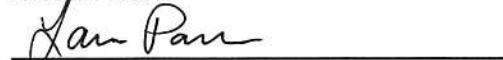
Susan Searls Giroux



Michelle Dion



Martin Horn



Laura Parker