university of saskatchewan faculty association

# BARGAINING UPDATE

April 2012

## Benefits and Other Financial Issues

In our last bargaining update, we presented the case for a bargaining mandate with respect to salaries that is based on the Employer's lead-payer strategy for compensation at the 75th percentile of a group of seven comparator institutions. Based on the salary data that is currently available (i.e., 2010-11), the average salaries by rank for University of Saskatchewan faculty members fall well below the 75th percentile, and we propose to insist that the Employer honour the commitment to achieve that salary target. The lead-payer strategy also applies to the benefits package that accompanies salaries, and we are collecting information from our comparators to see how our benefits stack up. Perhaps not surprisingly, the benefits for faculty members at the University of Saskatchewan have fallen behind our comparators, so there is also a need to improve the benefits package as well.

In this update are a number of benefits and financial items that could be included at the next round of negotiations. These are the items that are apparent to us, and they are not meant to be an exhaustive list of issues. Rather, they are meant to be a starting point for the development of a bargaining mandate with respect to benefits. Please offer us your opinions regarding the issues outlined below, and please let us know about other issues that we may have missed. This is your collective agreement and successful negotiations require the support and engagement of members on the issues that are most relevant and important to them.

### Health and Dental Benefits

Presently, the Employer covers the costs of the Extended Health and Vision Plan and the Dental plan at the levels required to pay the premiums during the period January 1, 2010 to December 31, 2010. Premium levels for the period May, 2011 through April, 2012 were projected to increase by about $150 per year per member, but this increase can be covered by reserve funds in the plan. To date, premium levels for the period May 2012 through April 2013 have not been determined and our current reserves will only sustain a very modest increase in premiums.

Adequate levels of funding for the Extended Health and Vision Plan and the Dental plan should be placed as a top priority in bargaining. The position of the Association is that these benefits should be fully funded by the Employer in perpetuity and we ask that members support this negotiating position.

In terms of improvements to specific health, vision and dental benefits, some members have raised the issue that the $2000 funding cap for drug coverage is a problem and we will seek to have this issue addressed. In 2010, 75 members and their dependents reached the $2000 cap, so an increase would not be expected to significantly influence premiums. Likewise, in 2010, the $2000 cap for basic and major dental work was reached by only 38 members and their dependents, so it seems reasonable to question whether this cap could be increased as well. Finally, we have heard from members that the vision coverage of $300 every two years for the purchase of glasses and/or contact lenses is insufficient, and we will endeavour to negotiate increases to this benefit.

Of course, these are the issues with respect to health, dental and vision that we see at the moment. We strongly encourage members to raise additional ones that we may have overlooked or are not aware of.

### Accountable Professional Expense Account

Each year, members receive $2050 to help defray expenses associated with their teaching, research, and related professional activities including travel to conferences and other academic venues. Increases to this amount are especially necessary in light of continuing inflation as well as the high cost of travel associated with living in Saskatoon. Increases to the accountable professional expense account will benefit almost all of our members and therefore attempts to increase the benefit will be placed as a high priority.

### Professional Fees

A significant number of faculty members are required as a condition of employment to maintain their yearly licences for professional practice. Medical physicians from the College of Medicine, veterinary physicians from the Western College of Veterinary Medicine, nurses from the College of Nursing and clinical psychologists from the College of Arts & Science, to name a few, are obligated to remit both dues and/or liability insurance premiums in order to meet accreditation requirements and participate in the training programs for their students. While some members have the luxury of utilizing other available resources to cover their fees and insurance, some of our members are forced to utilize their accountable professional expense accounts or pay out of pocket.

In our view, this is a serious equity issue. Why should some members have complete flexibility to spend their accountable professional expense account for travel and professional development while others are obligated to spend that money on fees and insurance required as a condition of employment? It is simply unfair. To that end, we are asking members to support our efforts to negotiate a professional fees supplement to the accountable professional expense accounts of affected members. We do not intend to open the door to any member who might join professional organizations as a matter of choice or, for that matter, expectations, but rather we would restrict the supplement to those members who are obliged to cover these fees as a condition of employment and who have no other customary or historical sources of funds to access. While it may not be possible to cover the entire cost of dues and insurance fees for all members, it seems a reasonable first step to try and mitigate the impact of a condition of employment on members' flexibility to spend their accountable professional expense accounts.

**Scholarship Fund for tuition reimbursement**

Some number of years ago, we negotiated $250,000 per year to support a tuition reimbursement benefit for immediate family members of USFA members. The total amount of the scholarship has never been sufficient to cover off the entire cost of tuition for eligible recipients, but in the past there has been enough funding to provide up to $75 per credit unit for successfully completed courses. Because the number of applicants has increased over the last couple of years, reimbursement per credit unit has decreased significantly and for 2010-11 the scholarship was only $40 per credit unit. Moreover, the cost of tuition has risen dramatically since the tuition scholarship was initially negotiated. As a rough target, we propose to negotiate an increase to the scholarship fund so that reimbursement per credit unit is closer to $100 per credit unit and thus at a level comparable to when the benefit was negotiated taking into consideration the increased cost of tuition.

**Retirement provisions**

The elimination of mandatory retirement allows our members the right and freedom to choose when they wish to resign their position with the University. However, there is a cost to the elimination of a mandatory retirement age in the sense that any structure for planning retirement has been removed. Individuals and the institution alike no longer have a horizon for the long term planning of faculty turnover due to retirement and this constraint may well be detrimental to both sides.

We believe that it is in the best interests of everyone to devise schemes that will assist faculty members in planning a gradual and orderly transition to retirement should they choose to do so. Such plans provide recognition by the institution to the individual for their long time service, and importantly, permit planning for the uninterrupted staffing of ongoing academic programs. Programs are hurt when the time frame for notice of retirement is short because recruitment for a replacement position is typically delayed. Worse still, some administrators may see this situation as an opportunity to delay authorization of replacement positions as a source of fall-in and thus place additional demands on existing faculty members to offer their programs.

The collective agreement already contains provisions for faculty members to permanently reduce to part-time through the reduced appointment plan, but there is no sunset clause associated with this change in appointment and the notice provisions for resignation are the same as those for full-time faculty. We are asking for the approval of members to pursue some form of graduated or phased retirement plan whereby members provide some number of years of notice prior to retirement and over that period their duties would be gradually reduced. In this manner, members are afforded the opportunity to transition into retirement and the institution can formulate its renewal strategy over a longer period than the current three month notice period.

**Flexible spending account**

Current provisions in the collective agreement allocate $500 per member per year to a flexible sending account. Each year, members elect whether to place these funds in a non-taxable Health Spending Account or a taxable Wellness Spending Account. Unspent funds from one year may be carried over to the next year but only for one year. Any unspent funds beyond one year are returned to the employer.

Our latest statistics indicate that member usage of these funds is about 30%. To put this in perspective, out of the $565,000 that is allocated each year to this benefit, approximately $400,000 is unused. Our question is simple. What can we do to encourage our members to utilize this benefit? Any comments or suggestions would be greatly appreciated.

**What are your needs and desires?**

We emphasize that the items listed above are our starting point for developing a bargaining mandate for the next round of negotiations. Please let the Negotiations Team or your Faculty Association Representative know your perspectives on these items as well as any other items that we may have overlooked. You may respond directly to jim.cheesman@usask.ca