

Memorandum of Understanding

between

The Faculty Association of the University of St. Thomas (FAUST)

and

St. Thomas University

Subject: Voluntary Retirement Incentive

Further to Article 12 (Retirement) of the Full-Time Collective Agreement, all tenured, unionized, full-time faculty members who meet all of the following criteria on July 1, 2016:

- have not retired previously from St. Thomas University, and
- are age sixty-five (65) or older, or have been employed for a minimum of twenty (20) years at St. Thomas University, and
- are in Established Positions as of July 1, 2016.

shall be offered a voluntary retirement incentive in the amount of 1.3 times their regular annual salary (calculated as of the retirement date, and subject to articles 17.06.1 (v) and 17.06.1.1 (ii) of the Collective Agreement) for retirements to take effect on or before July 1, 2019. The incentive amount of 1.3 times the Employee's regular annual salary shall be divided by three (3) and paid in three (3) annual equal instalments with the first instalment taking place on the date of retirement.

Example: regular annual salary = \$120,000, and retirement date of July 1, 2017.

The voluntary retirement incentive is 156,000 paid in three (3) equal annual installments of \$52,000, payable on July 1, 2017, July 1, 2018, and July 1, 2019, for a total of \$156,000.

The parties agree that all applicants who meet the above conditions shall be granted the same retirement incentive settlement without distinction or discrimination.

The voluntary retirement incentive will take the form of a retiring allowance which is described in the *Income Tax Act* as an amount received on or after retirement from employment in recognition of long service. The Employee may be able to contribute, on a tax sheltered basis, part or all of the retiring allowance to a registered retirement savings plan (RRSP) or to the St.

Thomas registered pension plan (RPP) in accordance with criteria outlined in the *Act*.

The Employer shall prepare the list of members who are eligible for this voluntary retirement initiative. The list shall be agreed upon by the Employer and FAUST. Based on the approved list, the Employer shall inform each eligible member of their eligibility in writing by June 30, 2016.

In the spirit of Article 12.05 (Retirement Counselling) of the Full-Time Collective Agreement, the Employer shall reimburse the cost of retirement counselling services up to the value of \$400.00 (based on receipts) to advise Employees on retirement planning. The counselling service engaged for this purpose shall be chosen by the Employee.

Notice of intention to participate in the voluntary retirement incentive shall be submitted in writing to the Office of the Vice President (Academic and Research) by prospective retirees no later than:

- December 15, 2016 for retirement date of July 1, 2017
- December 15, 2017 for retirement date of July 1, 2018
- December 15, 2018 for retirement date of July 1, 2019

The Employer shall respond to such Employees in writing, with a copy to the Union, including a payment schedule no later than one (1) month following receipt of notice.

Employees who are eligible for the voluntary retirement incentive as of July 1, 2016 and who do not inform the Employer of their decision to retire before December 15, 2018 will be eligible for a partial voluntary retirement incentive on the following basis:

<u>Retirement Date</u>	<u>Voluntary Retirement Incentive</u>
July 1, 2020	75% of regular annual salary*
July 1, 2021	50% of regular annual salary*
July 1, 2022	25% of regular annual salary*

*divided by three (3) and paid in three (3) annual equal installments with the first instalment taking place on the date of retirement.

**Example: regular annual salary = \$120,000.*

*If the retirement date is July 1, 2020, the voluntary retirement incentive is 75% * 120,000 = \$90,000, paid in three (3) equal annual installments of \$30,000.*

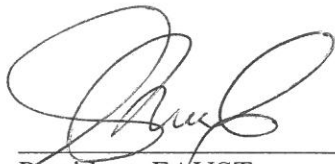
Once retired, individuals will continue to be eligible for health, dental, and travel insurance benefits under the St. Thomas plans up to the day in which they turn seventy (70) or for two (2) years post-retirement, whichever is most favourable to the Employee. Premiums will continue to be cost-shared between the Employee and the Employer. Individuals may opt out of these

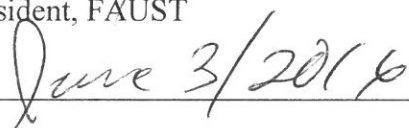
benefit plans.

Life and AD&D insurance benefits will be available to individuals who participate in the voluntary retirement incentive on the same basis as for full-time Employees until he/she reaches age seventy (70).

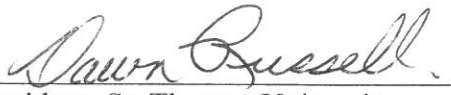
Further to Article 12.03 (Retirement), Employees who participate in the voluntary retirement incentive and who request the following will have access to shared office space and computer, library, and his or her STU e-mail address after they retire.

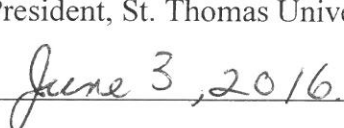
Any violations of this Memorandum of Understanding are subject to grievance under Article 15 (Grievance and Arbitration) of the Full-time Collective Agreement.



President, FAUST


Date



President, St. Thomas University


Date