

# MUNFA

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MEMORIAL UNIVERSITY OF NEWFOUNDLAND FACULTY ASSOCIATION

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TO: All MUNFA Members  
FROM: The MUNFA Executive Committee  
DATE: May 25, 2015  
SUBJECT: MUN BUDGET and PENSION

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Since the release of the provincial budget various figures (\$20 M, 40 M, 50 M) have been used to document the negative impact/cuts on the Memorial University budget (see <http://theindependent.ca/2015/05/19/on-a-rock-in-a-hard-place-mun-and-the-davis-budget/>). On May 21, 2015 the university belatedly released a budget analysis given on May 12, 2015 (<http://www.mun.ca/vpc/budget2015-16.php>) that indicates the cut is significant – about \$40 M dollars.

The University's response to the budget cuts has been to focus on three main items: a) a rise in tuition fees for international and graduate students; b) an increase of rates for housing in student residences; and c) a request to the MUN Pensions Committee to agree with \$21 million dollar deferral of a special payment, legally-required, to the pension plan. With this "deferral" also comes a request that the plan undergo a "study".

The student unions are opposed to the fee increases, and for good reasons.

What about the MUN Pension Plan? The university is obligated by the Memorial University Pensions Act and the Pensions Benefit Act to fund the pension plan on a "going concern" basis. These acts necessitate "special payments" to be made, to make sure the plan is solvent. Whether the plan is in deficit or surplus depends on a number of factors, including the assumptions used in the actuarial models. Currently our plan is doing relatively well and is about 90% funded.

So why the need for a "study"? Quite frankly we are concerned that the rationale for this study has less to do with economics of our pension plan, and more to do with a desire by the current government to bring our pension in line with the reforms that have been made to the Newfoundland and Labrador Teachers Association pension and the Public Sector Pension Plan. These reforms include loss of indexation, joint trusteeship, removal of the government guarantee, increases in contribution rates and decreases in benefits.

MUNFA representatives recently met with representatives from other labour unions and the student unions. We are highly skeptical of the need for our pension, and fee increases to the students, to bear a disproportionate share of the perceived shortfall.

The University has not explained its budget priorities. The University points to the deferred maintenance deficit and how outdated facilities impact on "service delivery" and compromise health and safety. What the University has not done is explain how their "plan" (remember the Battery Hotel) will address these issues. For example, most occupants of the current Science building will not be moving into the new Science building (<http://www.thetelegram.com/News/Local/2015-03-14/article-4076005/MUN-science-building-officially-approved/1>). How does an Archive Facility and Storage project address the health and safety risks of students, staff and faculty going to classes and offices in buildings that are well past their useful lifespan?

Budgets are about priorities. Clearly there are reasons to wonder about those in the MUN Budget. MUNFA has been in contact with CAUT and other unions regarding how to best handle the pension plan concerns. We will keep our membership updated and informed as the issue develops.