

**TO:** All MUNFA Members  
**FROM:** The MUNFA Executive Committee  
**DATE:** December 21, 2016  
**SUBJECT:** Update on the MUN Pension Plan

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The Memorial University of Newfoundland, as the employer of those enrolled in the MUN Pension Plan, is required by the *Pension Benefits Act* to pay down the pension fund's "going-concern" liability over a period of 15 years<sup>1</sup>. The Government of Newfoundland and Labrador (GNL) have previously funded going-concern payments (or "special payments") of about \$125 million between fiscal years 2005/06 and 2014/15.

In fiscal year 2015/16, the GNL did not provide Memorial University with funds to make the special payment of about \$21 million. The special payment for the 2016/17 year is approximately \$27.5 million. This payment has not yet been made by Memorial University, and it appears that this required money will not be transferred into the fund again this year.

Continuing failures of the University Administration over the previous two years to fulfill its pension funding obligations is causing concern among MUNFA representatives. As additional special payments come due and are not paid into the fund, we are concerned that the ability of the University to get the special payment schedule back on track will become limited.

In June of 2016, the Honourable Gerry Byrne (Minister, Department of Advanced Education and Skills) requested that the University explore other pension frameworks so that special payments would no longer be required, and that a formal funding policy be established so that all future actuarial gains and losses would be equally shared by MUN and pension plan participants.

ASMs should be advised that any pension reform discussions are premised on the condition that a defined benefit pension plan be maintained, accrued benefits are protected, and current retirees' pensions would not be impacted.

MUNFA and the other campus unions (NAPE and CUPE) are working to get clarity from the GNL on their expectations for pension reform at Memorial University. A recent meeting between MUN Pensions Committee members and the GNL representatives was cancelled at Government's request. Questions were sent to Government in advance of that meeting relating to GNL's expectations for a new funding policy for the pension plan, among other issues. This meeting has been rescheduled for January 5, 2017 and MUNFA will provide an update at that time.

For more information, please contact the MUNFA Office at 864-8642 or [munfa@mun.ca](mailto:munfa@mun.ca).

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<sup>1</sup> For more information on going concern deficiencies please review the [MUN Pension Plan 2015/16 Activity Report](#) starting at page 11, or contact the MUNFA office.