April 2, 2013

Dear AASUA Member:

We are writing to advise you of proposed changes to the Universities’ Academic Pension Plan (UAPP) to be voted on by UAPP members across the province over the next several weeks. These changes are the product of several years of discussions and deliberation among the plan sponsors – nine Academic Staff Associations and Boards of Governors – that predate the current fiscal challenges facing the four participating Alberta Universities and the Banff Centre.

Broadly speaking, the proposed changes involve trade-offs between reduced early retirement benefits on earnings after the proposed transition date of January 1, 2015 and greater inflation protection, also on future earnings, along with a number of other changes outlined in the booklet Proposed Plan Changes: For pensions earned after December 31, 2014. Summaries of the proposed changes are on pages 2 and 13 of the booklet.

The proposed changes will ONLY apply to pensions earned following the proposed effective date of January 1, 2015. They will NOT apply to any pension entitlements earned before that date. Proposed plan design changes are intended to rebalance the mix of retirement benefits offered by the plan in order to shift benefits enjoyed by some members to benefits that have the potential to benefit all or most members – particularly for risks that are beyond their control as individuals. The proposed changes will also have the potential of contributing to the greater long-term financial health and security (sustainability) of the plan. The proposed changes are intended to make more cost-effective use of member and employer contributions – particularly at a time when pension plans are being subject to sustained market pressures and longer-term demographic shifts. As such, they are intended to provide a balanced, responsible first step in the direction of greater plan sustainability.

The proposed changes will be felt gradually over a number of years. They will have a minimal impact on the pension entitlements of members retiring within a few years of the proposed effective date, and no impact whatsoever on members who retire before the proposed date of January 1, 2015.

AASUA members (who are also UAPP members) will have the opportunity to vote [electronically] on the proposed changes between 12 noon on Friday May 10 and 12 noon on Friday May 17. After this vote, approval of the proposed changes will depend on support from both the Boards of Governors and Academic Staff Associations at 3 of the 5 participating institutions, which majority together employs at least 75 percent of plan members. This means that the U of A’s and U of C’s Board of Governors and Academic Staff Association must all agree to these changes. Information meetings on the proposed changes will be held on:

Wednesday, April 17, 12 to 1 pm, ECHA Building, room L1-490
Thursday, May 2, 12 to 1 pm, CCIS Building, room L2-190

Additional information on the proposed changes can be found at www.ProposedChangesUAPP.ca. The Frequently Asked Questions section of the website will be updated periodically in response to member questions. Please feel free to contact AASUA directly if you have any questions about the voting process, or contact Vinko Majkovic at vinko.majkovic@uapp.ca or call Buck Consultants, the plan administrator at 1.866.709.2092 (toll-free) if there are general questions about the current pension plan and proposed changes.

Sincerely,
Donna Wilson, AASUA President
On behalf of the 9 member UAPP Sponsors Group