Report
of the
Mandatory Retirement Task Force

Submitted
June 14, 2006

to

The University of Alberta

and

The Association of Academic Staff: University of Alberta
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Overview

Establishment and Membership of the Mandatory Retirement Task Force

The Task Force on Mandatory Retirement was established pursuant to a memorandum of settlement between the University and the Association of Academic Staff University of Alberta (AAS:UA) (May 30, 2005) (Appendix 1). The following members were appointed to the Task Force:

- Chris Cheeseman, Professor & Chair, Physiology
- Phyllis Clark, Vice-President (Finance & Administration)
- Brad Hamdon, General Counsel (Taskforce Co-Chair)
- Heidi Julien, Associate Professor, School of Library & Information Studies (Taskforce Co-Chair)
- Rod Wood, Professor, Law Faculty
- Olive Yonge, Professor & Vice-Provost (Academic Programs)

Mandate of the Mandatory Retirement Task Force

The Mandatory Retirement Task Force was given the following mandate:

1. To examine and analyze the implications of eliminating mandatory retirement; and the implications of not eliminating mandatory retirement at the University of Alberta.

2. To examine the experiences of other universities that have eliminated mandatory retirement, and to consult with stakeholders about the issues and implications of eliminating and of not eliminating mandatory retirement.

3. To report on these implications to AAS:UA and University administration.

Deliberations of the Task Force

Following an initial planning meeting on November 14, 2005, the Task Force engaged in an extensive literature review (Appendix 2) and heard from a variety of experts on a number of topics, including pensions and benefits, the legal context, and the demographics of aging (Appendix 3). A Backgrounder document summarizing these issues was prepared (Appendix 4). Comments were invited from stakeholders, including staff, students and other interested parties. On February 7, 2006 a Town Hall Meeting was held with over one hundred persons in attendance. In response to the invitation for comments, the Task Force also received 80 emails commenting on mandatory retirement (Appendix 5). The Task Force Co-Chairs met with representatives from the Non-Academic Staff Association on April 24, to receive feedback.
The Legal Context

Alberta was one of the first jurisdictions to modify its human rights legislation to extend the prohibition of age discrimination to persons over 65 in age. However, the legislation was subject to a limitation that discrimination would not constitute a contravention of the Human Rights Act if it was reasonable and justifiable under the circumstances. The question whether mandatory retirement in an academic setting contravened the statute was determined by the Supreme Court of Canada in 1992 in Dickason v. University of Alberta. The Court found that the use of mandatory retirement in an academic setting was reasonable and justifiable.

On December 12, 2005, the Ontario legislature amended its human rights legislation so as to extend the prohibition of age discrimination to persons over 65 in age. Unlike the Alberta Act, Ontario does not permit mandatory retirement for reasonable and justifiable circumstances. Mandatory retirement is permitted only if it can be shown to be a bona fide occupational requirement. It is unlikely that mandatory retirement in universities could be supported on this basis. As a result, all universities in Ontario likely will need to eliminate their mandatory retirement policies to comply with the legislation.

Mandatory Retirement at Canadian and U.S. Universities

In addition to the recent elimination of mandatory retirement in Ontario, universities in Quebec, Brandon and Calgary do not have mandatory retirement policies. A few Canadian universities have negotiated a higher mandatory retirement age (such as 69 year mandatory retirement age at the University of Manitoba) with their unions. In the United States, the mandatory retirement age was abolished completely in 1994. The Task Force held an informal discussion with representatives of the University of Calgary about its experience of abolishing mandatory retirement.

Justifications for Mandatory Retirement

The literature includes the following stated objectives of mandatory retirement in an academic setting:

1. The promotion of academic renewal – mandatory retirement permits renewal through the introduction of younger faculty members who may bring new perspectives to their disciplines and can improve the ratio of female faculty members;

2. The facilitation of planning and resource management – mandatory retirement provides a means of remedying the twofold problem of limited funding and a bulge in the age distribution of professors [Note – there is no evidence of such a bulge at the University of Alberta];

3. The preservation of tenure and the protection of retirement with dignity – mandatory retirement obviates the need to monitor and evaluate the work of academics to ensure there is no decline in competence or productivity as staff age.
Arguments Against Mandatory Retirement

Arguments against mandatory retirement deny that the objectives set out above are in fact achieved by mandatory retirement policies. The arguments are as follows:

(1) Academic Renewal – a majority of professors presently retire before they reach the age of sixty five. At universities with no mandatory retirement, the vast majority retire before they reach the age of seventy. The effect on faculty renewal would therefore be limited. Furthermore, there is expected to be a critical shortage of faculty in the near future. In Ontario, it is anticipated that 30% of faculty will retire in ten years during a time when enrolment will increase by 20% (OCUFA, n.d.). The Rae Review anticipated that Ontario universities will need to hire 11,000 new faculty members by 2010.

(2) Planning – Administrative planning is not greatly enhanced by mandatory retirement. Resignations, early retirement, illness and death cannot be predicted. Government funding and student enrolment also varies. These uncertainties dwarf any benefit in planning obtained by mandatory retirement policies.

(3) Protection of Tenure and Retirement with Dignity – There is no evidence that productivity of academics diminishes with increasing age. Faculty members are evaluated each year and this mechanism ensures competence based upon their performance rather than on their age. More often it is the most productive scholars with active research agendas who will choose to continue beyond the age of 65.

Additional Considerations

In addition to the arguments set out above, there are three additional matters that must be taken into account in examining the implications of retaining or eliminating mandatory retirement. The first concerns the cost to the university in respect of salary, pension and other benefits paid to staff who choose not to retire if mandatory retirement were eliminated. The second concerns recruiting and retaining staff. Institutions that have retained mandatory retirement might be placed at a competitive disadvantage in relation to institutions that have eliminated mandatory retirement. The third is that the risk that mandatory retirement may once again be challenged in the courts on the basis that the assumptions and justifications formerly relied upon no longer hold true.

Implications of Maintaining the Current Mandatory Retirement Age

The Task Force did consider various topics around the issue of maintaining the current retirement age. It is important to ensure there continues to be good renewal, recruitment and academic planning in that context.

With regard to academic renewal, the same process for appointing new positions should continue if mandatory retirement is maintained. The AAS:UA and administration may want to agree on some phasing retirement systems.
It is worthwhile to ensure that the Universities of Alberta Pension Plan and the supplementary pension plan do not “pay” people to retire. Therefore, it would be necessary to review those plans in detail.

Although there is an excellent program for evaluation of faculty through the Faculty Evaluation (FEC) process, a similar program should be developed for Administrative and Professional Officers (APOs) and Faculty Service Officers (FSOs). The Task Force does not think there would be any fiscal or benefits implications given that the status quo would be maintained.

Policies for Canada Research Chairs (CRCs) and Alberta Heritage Foundation for Medical Research (AHFMR) positions are sufficiently clear, and they do not need to be re-evaluated in light of any decision to maintain mandatory retirement.

Implications of Extending the Mandatory Retirement Age to 70

This may be a difficult change. Nevertheless, there are implications that should be reviewed, should this be a discussion between administration and AAS:UA.

If the mandatory retirement age is extended to 70, the institution should continue the same process for appointing new positions, but perhaps investigate methods of planning retirement and phasing in retirement for people in both faculty and APO positions.

It is also important to ensure that there would be a strong performance management system for APOs and FSOs, similar to the FEC process. The FEC process should continue in the same framework as it currently is, demanding higher performance for people with more experience on the job.

The AAS:UA Benefits Committee could be asked to monitor people working to age 70 to determine if there are benefits issues or needs.

The only fiscal implication would be ensuring that the merit system remains funded, but other than that the Task Force envisions few implications.

Specialized programs would be run in a similar fashion to the current process.

References


Faculty Performance Evaluation

The University of Alberta has a very well developed and objective FEC process which provides an annual review of all continuing Faculty and Librarians (there is inconsistency across campus in evaluation of FSOs). Administrative and Professional Officers and contract teaching academic
staff have no similar standard, across-institution process. Each faculty member is required to submit an annual report which includes information on research activities, teaching and student evaluations, administrative work and community service. This is reviewed with the faculty member by their departmental chair, or Dean in nondepartmentalized Faculties prior to a decision on merit increment awards being made by the FEC. Overall awards cannot average more than 1.2 merit increments per faculty member; individual increments may be more or less than the average. The review criteria are progressively more demanding as faculty move through the ranks from Assistant to Associate to Full Professor; a similarly increasingly demanding performance evaluation is in place for FSOs as they progress. If mandatory retirement ends, the current performance evaluation system must be maintained or even strengthened to ensure that performance management standards are maintained. This concern was echoed by the Non-Academic Staff Association, which also suggested that supervisory skills and ability to interact collegially with staff should be incorporated into the FEC performance evaluation standards.

One major concern should mandatory retirement be abolished is the possibility that individuals who stay on past age 65 exhibit progressively declining performance in teaching or research. It could be argued that the FEC process safeguards against this, as it has the ability to award ‘0(d)’ recommendations for unacceptable performance. However, two points need to be considered. The first is that this could be considered an unpleasant task for chairs and/or deans, or the FEC committee itself. The second is that it requires that the staff member be disciplined only after FEC has cited that performance is unsatisfactory in two out of three years and, provided that if the staff member had appealed the FEC decision to General Appeals Committee, that such appeal was not upheld. This has led to the concern about the length of time to remove an individual who is not performing up to standard.

The Non-Academic Staff Association commented to the Task Force that it is not in favour of unlimited increments for academic staff members, since this is not consistent for their bargaining unit.

Management of APOs and Other Staff

Librarians and FSOs issues will be similar to those presented for Faculty members.

A substantial issue for Administrative and Professional Officers, Sessionals and Other Temporary Staff and Research/Trust Staff will be the current lack of a comprehensive evaluation process which would effectively assess performance. In the absence of mandatory retirement, a University-wide process would need to be developed and implemented in order to review the performance of APOs on an annual basis.

Retention and Recruitment

Retention

A major concern is that senior, high profile faculty may be recruited away to institutions without mandatory retirement, primarily to universities in the U.S. The University of Calgary may be a
destination, and other Canadian universities in the future as they abolish mandatory retirement may recruit older faculty. There appears to be little hard evidence supporting this concern.

Recruitment

The impact on recruitment of removing mandatory retirement is more contentious and less easily determined. The major arguments for retaining mandatory retirement are: this allows for accurate succession planning because of predictable future vacancies; and predictable retirements would allow for the recruitment of new young faculty with fresh ideas and drive.

Arguments against retaining mandatory retirement include: no evidence the rate of recruitment has been any faster at institutions which have no mandatory retirement; examination of the demographic data for faculty at the University of Alberta shows that there is no age bulge approaching retirement (Appendix 6). In 2005, the average age of retiring, continuing APOs was 60; not including normal retirees, the average age of early retirees was 58. The introduction of an attractive early retirement package in 1996 has resulted in a steady loss of senior faculty and their replacement with junior individuals. Thus, there is unlikely to be a significant distortion of retirement rates across the whole university if mandatory retirement is abolished; there is no evidence that individuals are not excellent teachers or researchers post 65; as the reputation of this institution grows we are trying to recruit more senior, high profile faculty who may be close to retirement age. The continuation of mandatory retirement is a disincentive for such individuals to join the University of Alberta;* some departments report that currently there is a dearth of appropriately trained individuals whom they could recruit to replace faculty who must retire; and the demographics of some individual departments are so skewed that if mandatory retirement is retained they will lose most of their skilled administrators and teachers who would otherwise mentor new faculty.

* Note: A survey of Chairs and Deans produced the following data. The impact of mandatory retirement has resulted in the loss over the last five years of four faculty and resulted in the failure of one recruitment.

Mentoring

One of key functions provided by senior faculty is mentoring of junior faculty and graduate students. The concept originates with Homer who entrusted his son to be raised by King Odysseus – a person who was knowledgeable and wise (Luna & Cullen, 1995). As faculty progress through the ranks and gain expertise in research, teaching and community service they too become knowledgeable and wise. The imparting of this knowledge has a direct impact on the career trajectory of junior personnel (mentees). Furthermore, the everyday work of professors cannot simply be documented in a manual. Through role modelling, conversations and explicit directions, mentees gain the necessary skills to be productive.

Vance (2000) noted that a relationship between a mentor and a mentee is transformational for both. These relationships typically require time, commitment, involvement and may frequently extend beyond the work place. Mentees have immediate benefits and in turn if successfully mentored will mentor others, thus contributing to a positive working environment.
Mandatory retirement partially affects the mentor-mentee relationship by psychically terminating it. However, professors do continue to mentor after retirement because they perceive this work as part of their professionalism. If mandatory retirement was to end, theoretically mentorship should flourish. Senior professors would be available to interact on a frequent basis with mentees. The actual level of mentorship currently occurring on campus is unknown.

References


Special Program: Canadian Research Chairs (CRCs)

The University of Alberta is allotted a certain number of CRCs based on funding faculty have received from the Social Sciences and Humanities Research Council, the Natural Sciences and Engineering Research Council, and the Canadian Institutes of Health Research* over a period of three years. The University of Alberta has 120 CRCs and they are fairly evenly divided between Tier One and Two. Tier One Chairs are for a period of seven years and Tier Two Chairs for five years. Currently the University of Alberta is fourth in the country for the numbers of CRCs following the University of Toronto, McGill University, and the University of British Columbia.

The CRCs are institutionally based. The University of Alberta nominates a faculty member for a CRC and financially supports the position. If the faculty member leaves the University, the CRC position does not go with this person. The CRC is expected to have a reduced teaching load, may hold other institutional awards such as the McCalla Professorships and are reviewed after seven or five years depending on their tier. CRCs will not be automatically renewed.

At this point, there is no policy that a CRC will be renewed post retirement age. Each renewal of a CRC is managed on a case-by-case basis. A Dean would have to recommend to the Provost to renew or recruit a CRC post retirement age. If mandatory retirement is abolished, the need for case-by-case management at 65 years of age would be removed.

Source: Garth Edwards, Research Services Office

*Note that the granting councils are silent in their regulations regarding mandatory retirement.

Renewal

In the Dickason case, which upheld mandatory retirement at the University of Alberta, and in McKinney v. University of Guelph, one of the major arguments in support of the decisions in favour of mandatory retirement was that academic renewal is necessary for universities to remain “cutting edge.” However, it was recognized in both decisions that mandatory retirement is not
the only, nor perhaps the best method to achieve academic renewal. Similarly, at the Town Hall meeting of February 7, 2006 it was argued that academic renewal is not contingent upon forced retirement, and, in the opinion of some speakers at the Town Hall meeting, forcing faculty to retire is illogical when in some disciplines there is a current and/or expected shortage of PhDs. Another opinion expressed at the Town Hall meeting and via email feedback was that abolishing mandatory retirement would create a barrier to intellectual renewal in the academy. This concern is unit-dependent, since in the recent past some departments have experienced greater renewal than others, and thus are less dependent on retirements to facilitate renewal.

Best estimates prepared for the University of Toronto, based on data from Manitoba, Quebec and some U.S. jurisdictions, suggest that if mandatory retirement is eliminated, 30% of academic staff can be expected to retire before age 65, nearly 80% will be retired at age 65, and 96% will retire by age 68. Influences on renewal also include alternative/external sources of funding, and the maturity of a discipline. The age of retirement at the University of Calgary appears to be increasing one year per year.

References

Employment Equity

Concerns for employment equity apply whether mandatory retirement is abolished or retained. One of the arguments in favour of mandatory retirement is that a greater proportion of senior faculty members are members of demographic groups (racial and gender) that are proportionally over-represented in the work force. Enforcing mandatory retirement of these groups provides opportunity to recruit demographic groups less well represented among the population of faculty members. Abolishing mandatory retirement could result in marginalized groups (particularly the four “designated groups”—women, aboriginal people, members of visible minorities, and persons with disabilities) having fewer opportunities, at least in the short term, to obtain faculty positions. The need to address employment equity issues varies by discipline.

One of the significant arguments against mandatory retirement, however, is that the policy institutionalizes “ageism,” or discrimination against older persons. Maintaining mandatory retirement merely furthers this form of discrimination, while eliminating it would remove barriers to employment based solely on age. The Conference Board of Canada has recently stated, “Mandatory retirement is an anachronism. Age discrimination must be tackled to help ensure that older workers are not denied opportunities to work because of their age” (Conference Board of Canada, 2006, p. 5). This “human rights” argument was strongly represented among the feedback received at the Town Hall meeting, through the email feedback, and from the Non-Academic Staff Association. The Task Force sought expert advice in this area from Dr. Janet Fast, who made several important points:

1. The current Canadian work force may not be sustainable and an aging population with expectations of early retirement is exacerbating the situation. This issue is common to the developed world and some countries are limiting access to pension plans to keep
individuals in the work force. In this situation mandatory retirement becomes irrelevant and its removal could be sufficient, in the Canadian context, to ameliorate the problem.

2. The Canadian academic work force, in particular, is facing a crisis with estimates of between 20,000 and 40,000 new faculty needing to be hired within the next 5 years. This large number would be required to compensate for upcoming retirements and to cover the projected growth in the student population.

3. The current shortage of graduate students being trained means that the elimination of mandatory retirement may have no overall impact on the ability to hire new faculty, because there are insufficient numbers of replacements.

Because there are myths relating to age-related declines in productivity, Dr. Fast also made some points specific to age-related performance questions:

1. The age of 65 became the norm for retirement about 40-50 years ago. Since then general health and life expectancy has increased greatly. Also, academic jobs are not generally physically challenging, so declining physical strength is unrelated to job performance. Demographic data suggest that currently a 75 year old is physically equivalent to a 65 year old from 40-50 years ago.

2. Accommodation for aging employees is rarely requested as individuals tend to be reluctant to draw attention to a problem.

3. In the private sector, companies are starting to recognize the value of older productive workers. They are also providing transition opportunities such as part-time work or special projects to keep older workers. This may be cheaper than rehiring retired employees as consultants.

Discrimination on the basis of age also may affect women differentially. For example, women are more likely to have truncated careers due to family responsibilities, and hence they may be particularly affected by forced retirement. Disciplinary differences also are evident. For example, academic appointments in Fine Arts generally occur at a later age, leaving less time for an academic career in the face of mandatory retirement.

Reference


Risk of Future Litigation

Section 7 of Alberta’s Human Rights, Citizenship and Multiculturalism Act (the “Human Rights Act”) prohibits an employer from discriminating against any person because of age. Age is defined in the Human Rights Act as 18 years of age or older. Therefore, on the face of it, a policy that mandates retirement at a certain age contravenes the Human Rights Act. However, Section 11 of the Human Rights Act provides that a contravention of the Act shall be deemed not have occurred if the alleged contravention was reasonable and justifiable in the circumstances.

This was the legislative context (although it was then called the Individual Rights Protection Act)
when the University of Alberta’s mandatory retirement policy was challenged by Olive Dickason in 1985. Ultimately, the Supreme Court of Canada (in a 4-3 decision) upheld the University’s mandatory retirement policy (see Dickason v. University of Alberta [1992] 2 S.C.R. 1103). In doing so, the majority of the Court noted that “The role of universities in our society as self governing centres of learning, research and teaching safeguarded by academic freedom is unique. The courts have respected this and over the years have been very cautious in intervening in university affairs” (p. 15). The majority held that the objectives of mandatory retirement, being the perseveration of tenure, the promotion of academic renewal, the facilitation of planning and resource management and the protection of retirement with dignity were of sufficient significance to justify the limitation of a right to equality. It is important to note that this was not a decision that considered the Canada Charter of Rights, since the University is not a government authority.

The minority in this case did not believe that the objectives of mandatory retirement justified the age discrimination. Rather, the minority opinion questioned whether the policy of mandatory retirement was rationally connected to those stated objectives.

The Dickason decision remains good law in Canada. Whether or not the current justices on the Supreme Court of Canada would arrive at the same decision is unknown. Ultimately, the ability of any university to continue to maintain a mandatory retirement policy will be based on its ability to establish that such a policy continues to support the four objectives that the majority in Dickason emphasized. Also, a university that implements practices, be they formal or informal, undermining the argument for mandatory retirement will risk a successful challenge to its mandatory retirement policy.

Other Implications

There are several other implications involved in a decision whether or not to eliminate mandatory retirement. The university community at the University of Alberta knows the current mandatory retirement policy is being discussed. This has created considerable uncertainty among academic staff approaching the age of 65. Those who might be willing to stay beyond 65 are uncertain if they should be applying for grants, starting up new research projects, taking on new graduate students or winding down their activities. This uncertainty is costly in itself, but can also produce a demoralizing effect on academics who may be concerned that mandatory retirement will be eliminated soon after they are forced out (the “drowning within clear sight of the shore” phenomena that was noted at the University of Toronto) (University Affairs, 2005, p. 3). For these reasons, it is imperative that the process move forward as expeditiously as possible and that academic staff be informed as early as possible whether or not mandatory retirement will be eliminated.

There are also some additional transitional issues that should be considered if mandatory retirement is eliminated. Some form of transitional arrangement might be afforded to faculty members who are subject to early retirement in the year immediately before the coming into effect. For example, a transitional option was provided at the University of Toronto that permitted faculty members and librarians with a June 30, 2005 retirement date to take up a phased retirement option subject to Provostial approval. This permitted them to continue work on
a one-half to two-thirds basis for 3 years, but did not permit them to opt for a full postponed
retirement. The University also may wish to provide some form of retirement counselling in
order to assist faculty members in deciding which option (early retirement, phased retirement or
postponed retirement) to choose. As well, the University should develop a communications
strategy in order to ensure that any changes are communicated to all stakeholders in a timely and
user-friendly manner. In addition, consideration must be given to those individuals whose
retirement date at 65 years of age falls between any decision to end mandatory retirement, and a
date ending mandatory retirement. The Non-Academic Staff Association suggested that the
University consider implementing a system where, after a certain duration of tenured service, a
faculty member could have more flexibility in the position, choosing to increase emphasis on one
role (e.g., teaching or research) over another.

A related idea is that strengthening the relationship with professors emeriti can be an effective
method to give satisfaction to retirees.

Reference

“U of T Agrees to End Mandatory Retirement.” *University Affairs*, May 5, 2005. Available at:
http://www.universityaffairs.ca/issues/2005/may/mandatory_retirement_03.html. Viewed April
20, 2006.

Transitions

After an analysis of the administrative issues, it has been determined that there will be little
effect on the ongoing workload and human resources processes for staff in central units who
manage the terms and conditions of academic staff, should mandatory retirement be abolished.

The major short-term workload for both Administration and the AAS:UA will involve the review
of academic staff agreements, including negotiation of Article 18 (Retirement) (see Appendix 7)
to ensure that all aspects related to mandatory retirement are addressed.

If mandatory retirement is abolished, a period of instability is likely to occur, because openings
in faculty positions may not be predictable. Thus, in any particular department it may unclear
when a senior faculty member is likely to retire, so changes to curriculum or research direction
that may be desired could not be timed precisely. However, it appears as though when mandatory
retirement has been abolished at other universities, a new pattern of stability emerges after an
adjustment period, establishing a new steady state of predictable retirement patterns. During the
adjustment period, there are methods by which institutional planning may be enhanced. For
instance, faculty members may be asked to indicate their retirement intentions up to three years
in the future. In any event, the value of mandatory retirement as a planning device should not be
overstated. Over 60% of academic staff members retire before they reach the age of 65, and there
is no requirement to give advance notice of such retirements (Appendix 8).
**Duty to Accommodate**

In Alberta, an employer cannot discriminate against an employee on the basis of prohibited grounds as set out in the Human Rights Act (subject to certain exceptions). The concept of age discrimination is discussed above in the Legal Issues section of this Report.

However, there are other prohibited grounds, such as physical disability and mental disability. There is a possibility that accommodation requests based on these other protected grounds may increase as the age of the workforce increases. The University will need to consider this and properly plan for it, ensuring that its employees are aware of the existence of the duty to accommodate and understand how to provide proper accommodation. Failure to do so could, in the long term, result in an increase in claims against the University for a failure to provide proper accommodation.

**Protected Planning for Turnover**

One of the perceived benefits of mandatory retirement (at any specified age) is the ability of the employer to plan for the future with reasonably stable predictions about staff complement levels. Thus, if the mandatory retirement policy is sustained, institutional planning continues to be facilitated. However, some believe that mandatory retirement at age 65 “is a “lazy way” of planning an enterprise. Compulsory retirement is a blunt tool that casts out the best employees along with the worst” (MacGregor, p. 40). The Non-Academic Staff Association feedback encouraged the University to find ways to encourage “elegant” retirement.

**Reference**

**Benefits and Pension**

All pre-age-65 benefits (statutory and discretionary) can continue after the age of 65 with the exception of Long-Term Disability Insurance (LTDI) and Alberta Health Care Insurance premiums. This would result in the benefit costs of post-age-65 staff being reduced by approximately $1500 per year.

In accordance with Government of Canada policy, Canada Pension Plan contributions cease at age 69 for the staff that would continue to work past that age. This is an additional savings of approximately $1800. Post-age-65 benefits savings are offset by the requirement to continue Universities Academic Pension Plan contributions of approximately $11,500 per staff member per year until age 69 (maximum of 4.5 years) for those who have not reached the maximum of 35 years contributing to the UAPP.

If mandatory retirement is eliminated and a staff member chooses to work past the age of 69, that staff member must start collecting UAPP and would also continue to receive full salary until
employment ends. There would, of course, be usual income tax deductions from both the pension and salary payments.

The Task Force on Academic Supplementary Retirement Plan would need to explore the financial implications of eliminating mandatory retirement.

**Fiscal Implications**

Eliminating Mandatory Retirement would have both an ongoing and a one time increase to the base salary budget. There may be transition costs as well and peripheral costs e.g., space needs. (The detailed data estimates are presented in Appendix 9).

Given the assumptions listed below, the estimated salary costs are:

*Turnover Savings Eliminated – $3,713,865*

This cost would be a base cost but would only occur once. To offset this impact, we would need to isolate approximately 1% of a government transfer payment, 3% of a tuition increase or a 1% cut across the operating budget to reinvest in salaries in faculties and administrative units as needed.

*Impact on Cost of Living Increases – $116,459*

This cost would occur every year, i.e., it would require an ongoing base budget allocation from the budget.

Estimating both of these impacts depends fundamentally on the assumptions about take up. Those assumptions include:

- 2.5% of eligible employees work beyond age 65
- The majority retire by age 72
- Cost of living increases are 3.5%
- All ages are estimated at July 1, 2006
- No inclusion of sessional or term employees

The review of benefits and pensions indicated no additional impacts.

**Space Needs**

Space needs are a direct function of complement levels. If mandatory retirement ends with no change in complement, space requirements should not change. If mandatory retirement does not end, and special arrangements are made for retiring faculty giving them space to continue to contribute to the university, there will be space pressure for the people who choose to remain. If the mandatory retirement age is extended with constant complement levels, there would no impact on space needs.
APPENDICES
APPENDIX 1

Agreement Establishing Mandatory Retirement Task Force
MEMORANDUM OF SETTLEMENT

Between:

ASSOCIATION OF ACADEMIC STAFF: UNIVERSITY OF ALBERTA

("AAS:UA")

- and -

GOVERNORS OF THE UNIVERSITY OF ALBERTA

("University")

WHEREAS the parties have conducted negotiations for revision of the following academic staff collective agreements:

- Administrative and Professional Officer (APO)
- Faculty
- Faculty Service Officer (FSO)
- Librarian
- Sessionals and Other Temporary Staff (Sessionals)

THEREFORE the parties agree to recommend and refer the following terms of settlement to the Board and Association for ratification in accordance with Article 19.09 of the July 1998 Agreements:

Term of Memorandum

1. The term of the Memorandum will be for a three-year period (July 1, 2005 through June 30, 2008) subject to renegotiation. In the event of an unanticipated material change affecting the operating budget scenario in Table 5.2 of the University of Alberta 2005-2006 Operating Budget as approved by the Board of Governors and attached as Appendix A, either party may elect to reopen the Memorandum. This option may be exercised once only during the term of the Memorandum.

Increment Pool

2.1 Article 19.02 of the Faculty Agreement and the Faculty Service Officer Agreement will be amended to provide that the Increment Pool for Faculty and FSOs will be set at 1.2 times the number of eligible staff to be provided July 1, 2005, 2006, and 2007.

2.2 Article 19.02 of the Librarian Agreement will be amended to provide that the Increment Pool for Librarians will be set at 2.2 times the number of eligible staff to be provided July 1, 2005, 2006, and 2007.
2.3 Article 19.01 of the Administrative Professional Officer Agreement will be amended to provide that the Increment Pool for APOs will be set at 1.1 times the number of eligible staff to be provided July 1, 2005, 2006, and 2007.

Faculty Salary Adjustment Fund

3.1 The total Faculty Salary Adjustment Fund will be funded at a level no more than $800,000 per annum in each of the fiscal years of the contract (retroactive to April 1, 2005 and on April 1, 2006, and April 1, 2007).

3.2 The Provost and Vice-President (Academic) will provide an annual report to the AAS-UA on March 1 with an accounting of all compensation from the Faculty Salary Adjustment Fund by Faculty, Department and academic rank (aggregated where necessary in order to protect individual identification). The parties will meet to discuss each annual report.

Scale Adjustments

4. Scale increases will be implemented across the board over the three-year term of this Memorandum for Faculty, APOs, Librarians, Sessionals and FSOs of:

- July 1, 2005 3.50%
- July 1, 2006 3.50%
- July 1, 2007 3.90%

Academic Benefits Management Committee

5.1 The parties agree to continue the relationship of joint benefits management under the auspices of the Academic Benefits Management Committee (ABMC).

5.2 The parties agree to increase the funding for academic benefits by the appropriate per capita amount annually over the three-year term of this Memorandum. The ABMC will determine the per capita amount per eligible plan member through the application of the approved scale adjustments.

Child-Care Benefit Program

6.1 The parties agree to instruct the Academic Benefits Management Committee to implement a Child-Care Benefit Program to be effective July 1, 2005 with the following details:

6.1.1 The maximum half-day reimbursement will be $10 per day. A half-day is defined as a minimum of four hours and less than six hours, or where the child-care provider is charging the parent a half-day rate;

6.1.2 The maximum full-day reimbursement will be $20 per day. A full-day rate is defined as six hours or more where the parent is being charged a full-day rate;
6.1.3 Reimbursement is limited to 50% of the usual and customary billings. Members must provide receipts by February 1st for expenses incurred during the previous calendar year. Only one claim can be made in each calendar year;

6.1.4 Only those child-care expense payments made for a dependent child who is five years old or younger and for which the expense payments qualify under the Canada Revenue Agency (CRA) definitions for child-care expenses deductions are eligible for reimbursement under this program;

6.1.5 Reimbursement will be made if the child-care costs are incurred at the usual facility attended by the child. Reimbursement will not be provided for casual care. A member on Academic Leave will be reimbursed for child-care expenses incurred at facilities away from the child’s normal place of residence if the expenses qualify under clause 6.1.4 of this Memorandum;

6.1.6 If both parents are eligible for reimbursement for the same dependent child under this program, only one may claim the benefit;

6.1.7 The plan maximum of $2,000 per eligible child will be provided annually, based on a calendar year. The amount will be prorated for less than full-time equivalent employment. There will be no carry-over provisions if the full $2,000 is not used in any given calendar year.

6.2 In order to implement the Child-Care Benefit Program, the parties agree to increase the per capita funding for academic benefits by an additional $265 per eligible plan member on July 1, 2005. This per capita amount was determined by dividing $700,000 (an estimate of costs provided by the University) by 2,646 (the number of eligible plan members in 2004-05).

**Academic Supplementary Retirement Plan**

Canada Revenue Agency (CRA) establishes an annual maximum limit on pensions payable from registered pension plans. As a result, an increasing number of University academic staff face a situation where their retirement pensions, from the Universities Academic Pension Plan (UAPP), will not be representative of their pre-retirement income levels. The establishment of an Academic Supplementary Retirement Plan (ASRP) enables academic staff to receive an additional retirement income. The additional retirement income will be paid in full by the University.

7.1 The parties agree to implement an ASRP no later than July 1, 2008.

7.2 The details of the ASRP will be determined by a Joint ASRP Development Task Force, terms of reference for this committee are attached to this Memorandum as Appendix B.

7.3 The parties agree that the cost of the ASRP will be included as a pre-approved element of total compensation in the next round of Board/AAS:UA negotiations.
Workload/Worklife Joint Task Force

8.1 The parties agree to the establishment of a Workload/Worklife Joint Task Force to study the workload and worklife of academic staff at the University of Alberta with recommendations prepared by June 30, 2006.

8.2 The membership of the Workload/Worklife Joint Task Force will consist of not more than three individuals appointed by the University and not more than three individuals appointed by the AAS:UA.

Mandatory Retirement Joint Task Force

9.1 The parties agree to the establishment of a Mandatory Retirement Joint Task Force to study the implications of eliminating mandatory retirement at the University of Alberta with recommendations prepared by June 30, 2006.

9.2 The membership of the Mandatory Retirement Joint Task Force will consist of not more than three individuals appointed by the University and not more than three individuals appointed by the AAS:UA.

Joint Communiqué

10. As part of the ongoing commitment of the parties to mutual interest bargaining, a joint communiqué will be issued to describe the terms of settlement as in the best interests of the University and the AAS:UA.

DATED at the City of Edmonton, in the Province of Alberta, this 2nd day of June, 2005.

Ian MacLaren
Chief Negotiator, AAS:UA

Witness

Tom Keating
President, AAS:UA

Witness

Art Quinney
Chief Negotiator, Board of Governors

Witness

Carl G Amrhein
Provost and Vice-President (Academic)

Witness
APPENDIX 2

Bibliography of Related Readings


http://www.nber.org/papers/w8378


Simon Fraser University Faculty Association (2004). Symposium on contractual mandatory retirement.
http://www.sfufa.ca/newsletters/0405/November%202004/2004_5_1.htm#MR


APPENDIX 3

Meeting Agendas

Meeting November 30, 2005
12 – 1 p.m.
3-17 University Hall

1. Approval of the Agenda
2. Discussion of Task Force Terms of Reference (draft distributed by Phyllis Clark)
3. Mandatory Retirement Readings – discussion
4. Possible Town Hall dates
5. Future Meeting Dates (please bring your calendars)
6. Other Business

Meeting December 16, 2005
8:00 AM – 9:00 AM
3-17 University Hall

1. Review action items from November 30th meeting
2. Discuss what the form of “output” of the Task Force will be
3. Structure of Town Hall meetings
4. Need for/Timing of reviews by various University committees
5. Need for expert advice – benefits/pension/other
6. Confirmation of Meeting Dates
7. Other Business

Meeting January 3, 2006
3:00 - 7:00 p.m.
3-17 University Hall

1. Approval of the Agenda
2. Minutes of December 16, 2005 Meeting – Action Items Arising
3. Presentation by Diane Albrecht
4. Preparation of Background/Overview Document
5. Other Business

Meeting January 24, 2006
3:30 - 5:00 p.m.
3-17 University Hall

1. Approval of the Agenda
2. Presentation by Greg Harding, Fieldlaw
3. Minutes of January 3, 2006 Meeting – Action Items Arising
   a. Chris Cheeseman: retirement policies at Capital Health, Alberta Cancer Board
b. Backgrounder document
4. Town Hall Organization
5. Other Business

Town Hall Meeting held Tuesday February 7, 2006, 12-1 p.m.

Mandatory Retirement Task Force
Meeting February 7, 2006
1:00-4:00 p.m.
3-17 University Hall

1. Lunch
2. Approval of the Agenda
3. Minutes of January 24, 2006 Meeting – Action Items Arising
   a. Chris Cheeseman: retirement policy, Alberta Cancer Board
4. Management of email comments and questions sent to the Task Force account
5. Prepare Town Hall Summary Document and FAQ
6. Other Business

Mandatory Retirement Task Force
Meeting February 21, 2006
5:00-7:00 p.m.
3-17 University Hall

1. Approval of the Agenda
2. Minutes of February 07, 2006 Meeting – Review action items arising
3. Presentation by Janet Fast
4. De-brief on Gateway Interview
5. Discussion of Task Force Report
6. Other Business
* Dinner will be served at 5:30 PM

Mandatory Retirement Task Force
Meeting March 7, 2006
3:30 – 5:00 p.m.
3-17 University Hall

1. Approval of the Agenda
2. Minutes of February 21, 2006 Meeting – Review action items arising
3. Report to be public?
4. Content Analysis of Emails
5. Budget Analysis
6. Presentation by Janet Fast (4:00 p.m.)
7. Other Business
Mandatory Retirement Task Force  
Meeting March 28, 2006  
3:30 – 5:00 p.m.  
3-17 University Hall  

1. Approval of the Agenda  
2. Minutes of March 07, 2006 Meeting – Review action items arising  
3. Report on meeting with University of Calgary  
4. Discuss email  
5. Review contributions from all on the Task Force Report and discuss next steps  
6. Other Business
APPENDIX 4

Mandatory Retirement Task Force Backgrounder

The joint AAS:UA and University of Alberta Mandatory Retirement Task Force includes the following appointed members:

- Cheeseman, Chris, Professor & Chair, Physiology
- Clark, Phyllis, Vice-President (Finance & Administration)
- Hamdon, Brad, General Counsel (Task Force Co-Chair)
- Julien, Heidi, Associate Professor, School of Library & Information Studies (Task Force Co-Chair)
- Wood, Rod, Professor, Law Faculty
- Yonge, Olive, Vice-Provost (Academic Programs)

The Terms of Reference for this Task Force are the following:

- To examine and analyze 1) the implications of eliminating mandatory retirement; and 2) the implications of not eliminating mandatory retirement at the University of Alberta.

- To examine the experiences of other universities that have eliminated mandatory retirement, and to consult with stakeholders about the issues and implications of eliminating and of not eliminating mandatory retirement.

- To report on these implications to AAS:UA and the University Administration.

The Town Hall meeting scheduled for February 7, 2006, is intended to encourage discussion about issues, concerns, and questions regarding the possible elimination of mandatory retirement for academic staff (i.e., faculty members, librarians, FSOs, APOs, sessional instructors and other contract staff falling within the scope of the Sessional Agreement) at the University of Alberta. The Task Force is interested in hearing from you. Please feel free to contact us:

taskforces@mail.ido.ualberta.ca

Appended to this document is a summary of retirement policies in other Canadian jurisdictions/universities (Appendix 1) and a list of web-accessible related readings (Appendix 2). Some issues identified by the Task Force as being relevant to the possible elimination of mandatory retirement for academic staff are noted here. We are seeking your input on these issues and any other issues related to this topic.

Academic Renewal

Best estimates prepared for the University of Toronto, based on data from Manitoba, Quebec and some U.S. jurisdictions, suggest that if mandatory retirement is eliminated, 30% of academic
staff can be expected to retire before age 65, nearly 80% will be retired at age 65, and 96% will retire by age 68. Eliminating mandatory retirement would have differential effects by department or Faculty. Influences on renewal also include alternative/external sources of funding, and the maturity of a discipline. While it is a myth that intellectual contributions and teaching ability and ability to supervise graduate students necessarily decline with age, eliminating mandatory retirement could (and some say would) have an impact on intellectual renewal at the University of Alberta.

Would the elimination of mandatory retirement make the institution less able to plan for renewal? Does the academy need this kind of regular renewal? If mandatory retirement ends, do we need another provision to enable workforce planning (e.g., more lead time for staff to indicate their retirement plans)?

Do you have an opinion on the elimination of mandatory retirement with respect to academic renewal? What would be the impacts for your context? What might be the implications for graduate students and postdoctoral fellows’ prospects in your discipline?

Recruitment and Retention

Eliminating mandatory retirement can help the University to recruit and retain professors who have received competing offers from other institutions that are not subject to mandatory retirement rules. The pressure on the University is likely to increase because mandatory retirement is being eliminated in Ontario and elsewhere. Are you aware of cases where the University has lost excellent people because we have mandatory retirement? How would the elimination of mandatory retirement affect your intentions to stay at the University of Alberta? How would eliminating mandatory retirement affect your retirement intentions? Do you believe that eliminating mandatory retirement would help or hinder the University’s efforts to recruit academic staff at all stages of their careers?

Performance Management

At the University of Alberta we have an unusually strong faculty evaluation system compared with other institutions, and it must be maintained. We also have a limited pool of merit increments that are awarded competitively. This evaluation system must remain if mandatory retirement ceased, and would need to be applied consistently to all faculty at all levels. Do you have any concerns about the ability to effectively manage performance of faculty as they near (and pass, if mandatory retirement is eliminated) the age of 65? Do you consider the current FEC process adequate to maintain performance standards if mandatory retirement were to be eliminated?

A strong evaluation system for APOs, and sessional instructors and other contractual staff under the Sessional Agreement does not currently exist. The need for such a system exists now, and most certainly would be needed if mandatory retirement is eliminated. What would be the biggest barriers to introducing an evaluation process similar to the FEC process for APOs and sessional/contractual staff?
Benefits and Pensions

The UAPP rules require that pension must be collected at age 69. Until age 69, academic staff must continue to be a contributing member of the plan up to the maximum 35 years service. Benefits that may be affected by the elimination of MANDATORY RETIREMENT include medical leave provisions, long term disability coverage, and employee and dependent life insurance plans. There may be both costs and savings to individual academic staff members and to the University of Alberta. Changes to benefits would be negotiated between the AAS:UA and University Administration. Are there other issues related to benefits and pensions that might be impacted by eliminating mandatory retirement?

Other Issues

- The end of mandatory retirement could be a barrier to employment equity initiatives (e.g., hiring more academic staff from designated groups). To what extent is this concern an issue for you?

- Eliminating mandatory retirement may affect specialized programs such as the Canada Research Chairs, University Professorships, and AHFMR appointments. What impacts might the elimination of mandatory retirement have on these specialized programs, and on contractual relationships with partner institutions, such as Capital Health? Existing agreements with such partners may require renegotiation. Are there other anomalous situations that could be affected by eliminating mandatory retirement?

- Would eliminating mandatory retirement have implications for physical space needs?

- There are fiscal implications of eliminating mandatory retirement. For example, the current merit pool is funded from “retirement savings”. If the current pattern of retirement changes significantly, the funding for the merit pool may be reduced. If higher salaried staff continue working longer than at present, the cost to the University would be higher. Are there other fiscal implications that should be considered?

- Are there other situations or issues that might be affected by the elimination of mandatory retirement?
Appendix 1 – Retirement Policies in Other Canadian Jurisdictions/Universities

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All Ontario institutions are reviewing the recently announced legislative change to ban mandatory retirement effective December 12, 2006.

Federal legislation in the United States prohibits mandatory retirement at all American universities.

University of Lethbridge and Athabasca University has mandatory retirement at age 65; the University of Calgary does not have mandatory retirement.

Appendix 2 - Web-Accessible Readings Related to Mandatory Retirement


The following general themes were recorded by the Task Force during the meeting.

A strong theme that emerged early in the discussion was the issue of “human rights.” That is, several attendees suggested that the central issue when considering elimination of mandatory retirement is that forcing retirement at 65 years of age is discriminatory. It was noted that this discrimination varies by gender and academic discipline as well. For example, women are more likely to have truncated careers due to family responsibilities hence they may be particularly affected by forced retirement. One speaker from the Fine Arts noted that academic appointments in those disciplines generally occur at a later age, leaving less time for an academic career in the face of mandatory retirement. Within the context of the “human rights” theme, comments focused on ‘ethical’ rather than ‘legal’ notions of human rights.

Observations were made about the role of mandatory retirement in academic renewal; several attendees argued that academic renewal is not contingent upon forced retirement. It was also suggested that there is a current and/or future shortage of PhDs. One individual suggested that academic renewal was encouraged by mandatory retirement. Skepticism was expressed about the idea that faculty members are less productive or less intellectually able as they age. Indeed, it was expressed that few faculty could be expected to continue to work past age 65, and those that do are likely to be productive. Additionally, the University has invested in Canada Research Chair positions, and it would be unfair to impose mandatory retirement on those individuals.

Another set of concerns had to do with transition issues; that is, how a transition from a context with mandatory retirement to a context without mandatory retirement might be facilitated. The Task Force was encouraged to examine the University of Toronto experience for guidance. A question was raised about the role or intentions of the Province of Alberta.

The Task Force process was questioned with respect to its time line, with many participants expressing concern that the Task Force process is too lengthy. The Co-Chairs explained that the Task Force was struck in November, 2005, with a mandate to gather information on the full range of issues affecting the possible elimination of mandatory retirement, and to submit an advisory report to the University Administration and AAS:UA by June 30, 2006. To that end, the Task Force has been meeting regularly, reviewing literature and research on the various issues, and hearing evidence from experts on legal issues, pension and benefits issues, and gerontology. In addition, the Task Force is seeking stakeholder feedback (e.g., through the Town Hall meeting, and via e-mail).

Concern was expressed about the need for less experienced faculty members to be mentored by more experienced faculty members. The academy benefits from a mix of younger and older faculty, and it was suggested that mandatory retirement diminishes this optimal state.
Several attendees noted that, because the University of Alberta requires retirement at age 65, researchers nearing that age face discrimination in the research granting process and are unsure of their ability to plan in the medium-term for student supervision and research projects. In addition, emeriti experience difficulties obtaining funding to support research and students. One idea raised was to create a competitive fund for those past 65 years of age, to ensure that productive faculty members receive support.

The need for an evaluation system for APOs was stated, including the need for a merit increment pool for that group of academic staff.

The final theme focused on the risk of diminishing loyalty to the institution by academic staff who feel “pushed out” of the University. It was indicated that this loyalty is being undermined by the continuation of mandatory retirement.

All comments, as well as feedback received by the Task Force through other means (e.g., e-mail) will be considered in the Task Force report. The Task Force thanks all participants in this consultation process for their feedback.

Summary of Email Feedback

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### APPENDIX 6

**Age Distribution of Faculty at the University of Alberta**

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<td>0.06</td>
</tr>
<tr>
<td>26</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>0.06</td>
</tr>
<tr>
<td>25</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0.00</td>
</tr>
<tr>
<td>24</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0.00</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>301</td>
<td>462</td>
<td>776</td>
<td>1539</td>
<td>100.00</td>
</tr>
</tbody>
</table>
APPENDIX 7

Staff Agreement Article 18 (Retirement)

Retirement age

18.01 A staff member shall retire from the service of the University on June 30 following the attainment of age 65.

Early retirement

18.02 In accordance with the provisions of the Universities Academic Pension Plan, a staff member may be eligible to retire prior to attaining the age of 65.

18.03 A staff member intending to retire under 18.02 shall submit a formal letter of early retirement to the Dean with as much notice as possible before the effective date of retirement. The Dean, following consultation with the Department Chair, shall forward to the Provost the letter of retirement. The acceptance of an early retirement by the University shall be effected by the Provost.

Part time re-employment after retirement or resignation

18.04 A staff member who has at least ten years of service as a staff member shall be entitled to re-employment immediately following resignation or retirement on the following basis:

<table>
<thead>
<tr>
<th>Re-employment Option</th>
<th>Salary/Workload</th>
<th>Period of Re-employment</th>
<th>Maximum Age at Beginning of Re-Employment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>50% of full-time</td>
<td>2 years</td>
<td>63</td>
</tr>
<tr>
<td>2</td>
<td>33 1/3% of full-time</td>
<td>3 years</td>
<td>62</td>
</tr>
</tbody>
</table>

18.05 During such re-employment, the staff member shall be eligible to participate in the medical leave program (on the reduced salary basis), in the Tuition Remission Program, in the Professional Expense Program (to the extent indicated in the table below).

<table>
<thead>
<tr>
<th>Re-employment Option</th>
<th>Professional Expense Annual Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Full-time level</td>
</tr>
<tr>
<td>2</td>
<td>66 2/3% of full-time level</td>
</tr>
</tbody>
</table>

Reduced workload leading to retirement
18.06 A staff member shall be entitled to reduced workload (i.e., leave without pay from a portion of duties) if the staff member agrees in advance to retire immediately upon the completion of the leave period.

18.07 Reduced workload shall be one of the following:

<table>
<thead>
<tr>
<th>Options</th>
<th>Reduced Workload Basis</th>
<th>Maximum Period of Reduced Workload</th>
<th>Basis of salary</th>
<th>Maximum Age At Beginning of Re-employment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Leave without pay from 50% of duties</td>
<td>2 years</td>
<td>½ pay</td>
<td>63</td>
</tr>
<tr>
<td>2</td>
<td>Leave without pay from 66 2/3% of duties</td>
<td>3 years</td>
<td>1/3 pay</td>
<td>62</td>
</tr>
</tbody>
</table>

18.08 During the period of reduced workload, the staff member shall be eligible to participate in full in the benefit programs provided in 20.09 and 20.14 a), b), c), d) and f) with the Board paying the full premium cost of such participation.

18.09 Subject to the provisions of the Universities Academic Pension Plan, the staff member may choose to establish the leave period as pensionable service under that plan and, if so, the Board and the staff member shall make the appropriate contributions calculated on the basis of unreduced salary rate.

18.10 The staff member shall be eligible to participate in the Professional Expense Program on the following basis:

<table>
<thead>
<tr>
<th>Option</th>
<th>Professional Expense Annual Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Full-time level</td>
</tr>
<tr>
<td>2</td>
<td>66 2/3% of full-time level</td>
</tr>
</tbody>
</table>

Other conditions

18.11 A staff member who wishes to take a reduced workload, or who wishes re-employment after retirement, shall at least six months prior to the onset of either notify the Department Chair, Dean and the Provost.

18.12 A staff member who takes reduced workload shall not be entitled to re-employment under 18.04.
18.13 Prior to completing arrangements for part time employment immediately following retirement or resignation under 18.04, or accepting reduced workload leading to retirement, the Department Chair shall provide in writing to the staff member the assignment of duties required under the part time status. Such assignment shall be based on application of article 7, including 7.11.
APPENDIX 8

Analysis of UAPP Retirements at the University of Alberta, 1999-2005

The following information was extracted from the draft of a report by Melville L. McMillan and Mao Han, Department of Economics, prepared for the AAS:UA and the Department of Human Resources. It is included here with the authors’ permission.

Table 1. Number of University of Alberta UAPP Retirees, 1999-2005

<table>
<thead>
<tr>
<th>Year</th>
<th>Total</th>
<th>Faculty</th>
<th>Non-Faculty</th>
<th>Female Faculty</th>
<th>Male Faculty</th>
<th>Under 55</th>
<th>55-59</th>
<th>60-64</th>
<th>65</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999</td>
<td>8</td>
<td>100.0%</td>
<td>0.0%</td>
<td>25.0%</td>
<td>75.0%</td>
<td>0.0%</td>
<td>1.25%</td>
<td>4.0%</td>
<td>3.75%</td>
</tr>
<tr>
<td>2000</td>
<td>52</td>
<td>86.4%</td>
<td>23.6%</td>
<td>87.1%</td>
<td>12.9%</td>
<td>3.9%</td>
<td>28.7%</td>
<td>36.9%</td>
<td>15.6%</td>
</tr>
<tr>
<td>2001</td>
<td>60</td>
<td>92.5%</td>
<td>7.5%</td>
<td>79.7%</td>
<td>20.3%</td>
<td>6.7%</td>
<td>23.3%</td>
<td>36.3%</td>
<td>20.3%</td>
</tr>
<tr>
<td>2002</td>
<td>54</td>
<td>81.6%</td>
<td>18.4%</td>
<td>27.8%</td>
<td>72.2%</td>
<td>1.2%</td>
<td>23.6%</td>
<td>36.6%</td>
<td>27.1%</td>
</tr>
<tr>
<td>2003</td>
<td>49</td>
<td>76.6%</td>
<td>23.4%</td>
<td>34.7%</td>
<td>65.3%</td>
<td>2.0%</td>
<td>38.8%</td>
<td>11.2%</td>
<td>36.8%</td>
</tr>
<tr>
<td>2004</td>
<td>98</td>
<td>75.0%</td>
<td>25.0%</td>
<td>70.4%</td>
<td>29.6%</td>
<td>1.0%</td>
<td>39.8%</td>
<td>35.7%</td>
<td>23.5%</td>
</tr>
<tr>
<td>2005</td>
<td>52</td>
<td>90.0%</td>
<td>10.0%</td>
<td>76.9%</td>
<td>23.1%</td>
<td>0.0%</td>
<td>9.6%</td>
<td>35.0%</td>
<td>24.5%</td>
</tr>
<tr>
<td>Total</td>
<td>373</td>
<td>100.0%</td>
<td>0.0%</td>
<td>27.5%</td>
<td>72.5%</td>
<td>2.4%</td>
<td>113</td>
<td>30.3</td>
<td>37.5</td>
</tr>
</tbody>
</table>
Table 2. Mean Ages of Retirees, 1999–2005

<table>
<thead>
<tr>
<th>Year</th>
<th>Female</th>
<th>Male</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999</td>
<td>58.5</td>
<td>63.0</td>
<td>61.9</td>
</tr>
<tr>
<td>2000</td>
<td>59.3</td>
<td>60.1</td>
<td>59.9</td>
</tr>
<tr>
<td>2001</td>
<td>60.4</td>
<td>61.0</td>
<td>60.9</td>
</tr>
<tr>
<td>2002</td>
<td>60.9</td>
<td>62.5</td>
<td>62.1</td>
</tr>
<tr>
<td>2003</td>
<td>60.1</td>
<td>62.3</td>
<td>61.5</td>
</tr>
<tr>
<td>2004</td>
<td>58.4</td>
<td>62.3</td>
<td>60.2</td>
</tr>
<tr>
<td>2005</td>
<td>62.9</td>
<td>63.7</td>
<td>63.5</td>
</tr>
<tr>
<td>All Years</td>
<td>60.1</td>
<td>62.1</td>
<td>61.4</td>
</tr>
</tbody>
</table>

Figure 1. Percentage of Total Early Retirees in Each Year

Figure 2. Percentage of Early Retirees by Gender in Each Year
Figure 3. Distribution of Retirement Age
### Table 3. Retirements by Faculty

<table>
<thead>
<tr>
<th>Faculty</th>
<th>Female</th>
<th></th>
<th>Male</th>
<th></th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>#</td>
<td>%</td>
<td>#</td>
<td>%</td>
<td>#</td>
</tr>
<tr>
<td>AGR</td>
<td>2</td>
<td>11.11</td>
<td>16</td>
<td>88.89</td>
<td>18</td>
</tr>
<tr>
<td>ART</td>
<td>20</td>
<td>27.40</td>
<td>53</td>
<td>72.60</td>
<td>73</td>
</tr>
<tr>
<td>BUS</td>
<td>3</td>
<td>21.43</td>
<td>11</td>
<td>78.57</td>
<td>14</td>
</tr>
<tr>
<td>EDU</td>
<td>9</td>
<td>28.13</td>
<td>23</td>
<td>71.88</td>
<td>32</td>
</tr>
<tr>
<td>ENG</td>
<td>0</td>
<td>0.00</td>
<td>23</td>
<td>100.00</td>
<td>23</td>
</tr>
<tr>
<td>EXT</td>
<td>2</td>
<td>22.22</td>
<td>7</td>
<td>77.78</td>
<td>9</td>
</tr>
<tr>
<td>MED</td>
<td>11</td>
<td>23.40</td>
<td>36</td>
<td>76.60</td>
<td>47</td>
</tr>
<tr>
<td>NUR</td>
<td>13</td>
<td>100.00</td>
<td>0</td>
<td>0.00</td>
<td>13</td>
</tr>
<tr>
<td>PHY</td>
<td>5</td>
<td>50.00</td>
<td>5</td>
<td>50.00</td>
<td>10</td>
</tr>
<tr>
<td>SCI</td>
<td>4</td>
<td>6.90</td>
<td>54</td>
<td>93.10</td>
<td>58</td>
</tr>
<tr>
<td>Other Academic Units</td>
<td>4</td>
<td>25.00</td>
<td>12</td>
<td>75.00</td>
<td>16</td>
</tr>
<tr>
<td>Other Nonacademic Units</td>
<td>16</td>
<td>38.10</td>
<td>26</td>
<td>61.90</td>
<td>42</td>
</tr>
<tr>
<td>N/A</td>
<td>3</td>
<td>33.33</td>
<td>6</td>
<td>66.67</td>
<td>9</td>
</tr>
<tr>
<td>Total</td>
<td>92</td>
<td>25.27</td>
<td>272</td>
<td>74.73</td>
<td>364</td>
</tr>
</tbody>
</table>

### Table 4. Distribution of Retirement by Age and Faculty

<table>
<thead>
<tr>
<th>Faculty</th>
<th>Retirement Age</th>
<th>Average Age</th>
<th>Number of Retirees</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>55</td>
<td>56</td>
<td>57</td>
</tr>
<tr>
<td>AGR</td>
<td>2</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>ART</td>
<td>3</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>BUS</td>
<td>2</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>EDU</td>
<td>3</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>ENG</td>
<td>0</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>EXT</td>
<td>3</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>MED</td>
<td>5</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>NUR</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>PHY</td>
<td>4</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>SCI</td>
<td>5</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Other</td>
<td>2</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>Nonacademic Units</td>
<td>14</td>
<td>7</td>
<td>4</td>
</tr>
<tr>
<td>N/A</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>43</td>
<td>17</td>
<td>13</td>
</tr>
<tr>
<td>Age Band</td>
<td>Asst Prof</td>
<td>Assoc Prof</td>
<td>Prof</td>
</tr>
<tr>
<td>----------</td>
<td>-----------</td>
<td>------------</td>
<td>------</td>
</tr>
<tr>
<td>60-25</td>
<td>0</td>
<td>20</td>
<td>172</td>
</tr>
<tr>
<td>55-59</td>
<td>7</td>
<td>39</td>
<td>200</td>
</tr>
<tr>
<td>50-54</td>
<td>18</td>
<td>65</td>
<td>190</td>
</tr>
<tr>
<td>45-49</td>
<td>25</td>
<td>104</td>
<td>144</td>
</tr>
<tr>
<td>40-44</td>
<td>78</td>
<td>121</td>
<td>60</td>
</tr>
<tr>
<td>35-39</td>
<td>106</td>
<td>77</td>
<td>12</td>
</tr>
<tr>
<td>30-34</td>
<td>68</td>
<td>14</td>
<td>0</td>
</tr>
<tr>
<td>25-29</td>
<td>17</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>20-24</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>319</td>
<td>440</td>
<td>778</td>
</tr>
</tbody>
</table>
APPENDIX 9

Estimated Costs Associated With Ending Mandatory Retirement
Estimated Costs Associated with Ending Mandatory Retirement

**Assumptions:**
- Data provided by Strategic Analysis from Staff Data as of October 31, 2006
- Ages estimated as at July 1, 2006
- Does not include sessionals or term employees
- Based on the Statistics Canada report, 2.5% work past 65; however, the majority retire by age 72
- Cost of Living Increases are estimated at 3.5% per year, based on the current collective agreement
- Medical increases are assumed to be the same in both scenarios since they are based on units, not base salary
- Turnover savings has been estimated using the worse-case approach and is based on the average salary lost as an estimate for an assistant professor at the market rate. This assumes that all positions will be replaced by assistant professors
- Benefits - 2006 review by Diane Albritch indicates no additional costs
- Government taxes such as EI and CPP and WCB continue while working so these costs are not eliminated
- Cost increases in some areas (continued pension contributions until age 65 and higher life insurance costs) are offset by cost decreases
- (the province's assuming first payer on health and the elimination of LTD premium costs post age 65)

**Estimates:**

<table>
<thead>
<tr>
<th></th>
<th>FTE</th>
</tr>
</thead>
<tbody>
<tr>
<td>if no mandatory retirement, then 2.5% of professors at UoA would be over 65</td>
<td>503</td>
</tr>
<tr>
<td>Salary Total (weighted average salary for July 2006 x FTE)</td>
<td>6,609,549</td>
</tr>
<tr>
<td>Turnover Savings, based on Professors as worst case</td>
<td>Impact per post Total Impact</td>
</tr>
<tr>
<td>Estimated Weighted Average Salary, professors 60+</td>
<td>136,156</td>
</tr>
<tr>
<td>Estimated Weighted Market Rate for Assistant Professors</td>
<td>65,238</td>
</tr>
<tr>
<td>73,871</td>
<td>231,334</td>
</tr>
<tr>
<td>Cost of Living Increases</td>
<td>231,334</td>
</tr>
<tr>
<td>Without Mandatory Retirement</td>
<td>base impact, one time</td>
</tr>
<tr>
<td>Cost of Living Increase (3.5%/yr)</td>
<td>114,876</td>
</tr>
<tr>
<td>With Mandatory Retirement</td>
<td>ongoing impact</td>
</tr>
</tbody>
</table>

**Total Impact, base and one time**

| 3,830,324 |

**Background Data:**
- University of Alberta Staff

<table>
<thead>
<tr>
<th>Number of Faculty age 60+ (as at July 2006)</th>
<th>Average Salary</th>
<th>COLA per year (3.5%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>July 2006</td>
<td>July 2006</td>
</tr>
<tr>
<td>Professor</td>
<td>195.0</td>
<td>138.576</td>
</tr>
<tr>
<td>Associate Professor</td>
<td>26.0</td>
<td>91.151</td>
</tr>
<tr>
<td>Assistant Professor</td>
<td>5.0</td>
<td>67.961</td>
</tr>
<tr>
<td>APO</td>
<td>29.0</td>
<td>82.409</td>
</tr>
<tr>
<td>PSO</td>
<td>7.0</td>
<td>94.035</td>
</tr>
<tr>
<td>Librarian</td>
<td>7.0</td>
<td>93.406</td>
</tr>
</tbody>
</table>

**Total Academic Staff (Operating), excluding Temporary Academic personnel 60 and over**

| FTE | 2,011.0 |

<table>
<thead>
<tr>
<th>Statistics Canada Study</th>
</tr>
</thead>
<tbody>
<tr>
<td>percentage of faculty over 65</td>
</tr>
<tr>
<td>if mandatory retirement</td>
</tr>
<tr>
<td>if no mandatory retirement</td>
</tr>
<tr>
<td>difference</td>
</tr>
</tbody>
</table>

Source: