

# Survey of University and College Pension Plans

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## **2013 CAUT Pension Survey Report**

The 2013 CAUT pension survey provides a general overview of member association pension plans based upon the type of plan, employees covered, form of governance, employer and employee contribution rates, funding, and accrual rates. Out of 79 member associations contacted for the survey, 60 responses were received (Appendix A). Three respondents reported having no pension plan(s) for their members, whereas others reported multiple pension plans. For example, OPSEU reported data for 11 plans covering all OPSEU members in the post-secondary sector. Overall, information on 62 pension plans was collected and analyzed.<sup>1</sup>

### **1. Types of Pension Plans**

Survey respondents were asked whether their members had a defined benefit (DB), defined contribution (DC), hybrid or another type of pension plan.

- 43% of respondents (n = 27) reported defined benefit plans, 35% (n = 22) defined contribution plans and 21% (n = 13) hybrid plans. Only one (1) respondent reported a different type of plan --- members at the Association des professeur-e-s d'Université de Hearst have individual RRSP/REERs.

By comparing responses to similar data collected in 2003, some trends in pension plan coverage emerge. Of the associations for which data is available for both 2003 and 2013 (n = 43), 7 reported changes in the type of plan coverage for employees.

- Two associations have changed from a DB to a DC pension plan.<sup>2</sup>
- Three associations have changed from a hybrid model to a DC plan.
- One association has changed from a DB plan to a hybrid model.
- One association has reported a change to a DB plan. The Laurentian University Faculty Association changed their plan from a hybrid model in 2011.

### **2. Employees Covered**

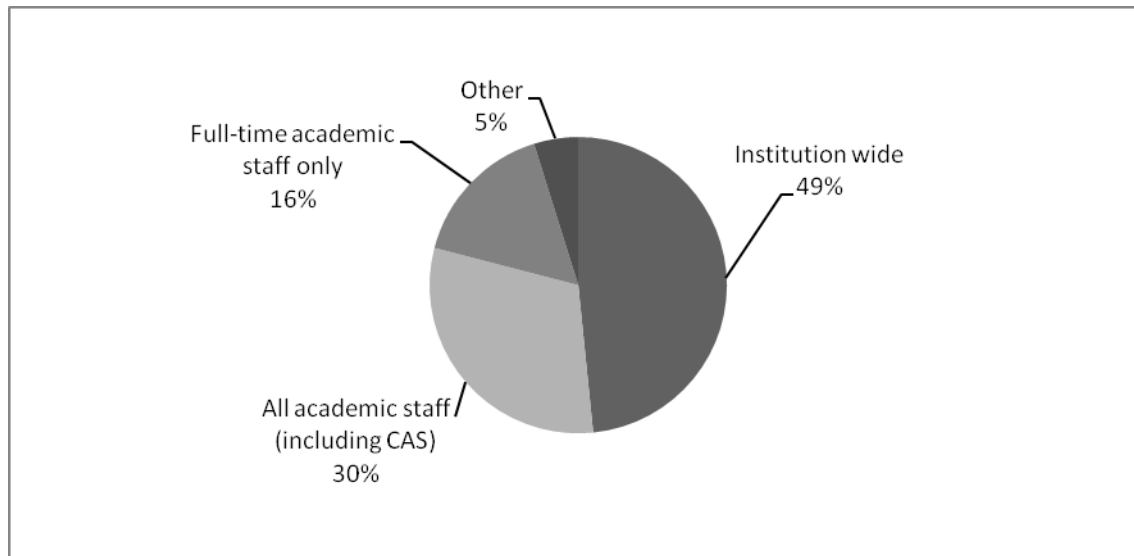
There are differences in the types of employee groups covered by pension plans in the survey (see Figure 1). About half of the plans cover all employee groups at the college or university, while 30% covered all academic staff. By contrast, 16% (n = 10) of plans cover only full-time academic staff.

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<sup>1</sup> It should be noted that the Universities Academic Pension Plan (UAPP) covers employees at Alberta, Athabasca, Calgary, and Lethbridge universities and was treated as one plan. Analyses were further confined to those plans that include current and future academic staff. Plans only covering office and clerical workers (e.g. OPSEU members at Nipissing, Ryerson, and Western Ontario) or faculty hired before a certain date (e.g. older plans at Algoma, Winnipeg, Saskatchewan, and McGill) were excluded.

<sup>2</sup> Academic staff hired at both the University of Saskatchewan and St. Thomas More prior to 2000 fell under a DB plan, whereas newly-hired faculty at both institutions are now covered by a DC plan.

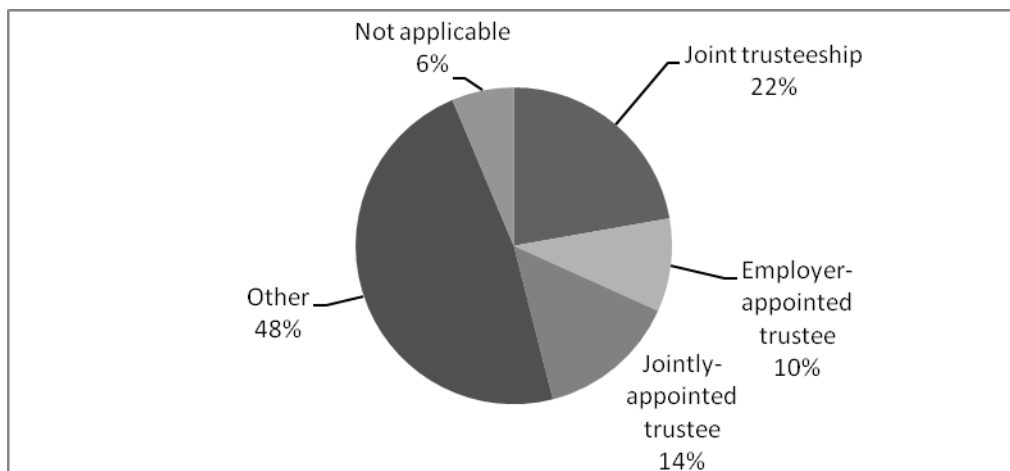
**Figure 1. Types of Employees Covered by Plan**



### 3. Plan Governance

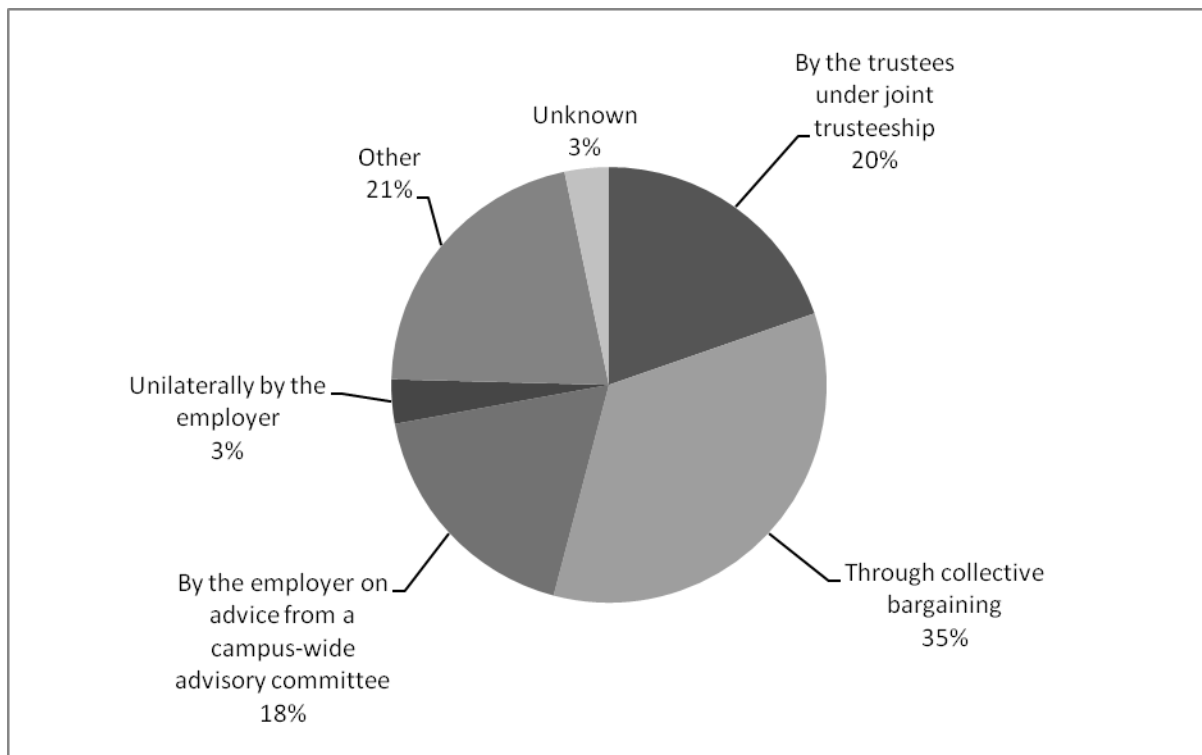
Respondents reported a variety of pension plan governance models (Figure 2). More respondents reported joint trusteeship (22%;  $n = 14$ ) or jointly-appointed trusteeship (14%;  $n = 9$ ) than employer-appointed trusteeship (10%;  $n = 6$ ). Nearly half ( $n=30$ ) of respondents reported an “other” form of plan governance that did not fit within these categories. For example, the Minister of Finance is the trustee for the Local Authorities Pension Plan (LAPP) covering members of the Alberta Colleges and Institutes Faculties Association, while the Treasury Board Secretariat oversees the plan at the Royal Military College.

**Figure 2. Types of Plan Governance**



With respect to how changes to pension plans were determined, in 35% (n=21) of the plans changes are decided at the bargaining table, while in 20% (n=12) of the plans changes are made by the trustees under joint trusteeship. In just two plans (3%) changes are made unilaterally by the employer, while in 18% (n=11) of the plans changes are implemented on the advice from a campus wide committee (see Figure 3). However, 21% (n=13) of the plans reported an “other” form of decision-making. For example, for the members of the Faculty Union of the Nova Scotia College of Art and Design, employer contribution rates are determined through collective bargaining, whereas other aspects of the plan are determined by the employer on advice from the Joint Benefits Committee.

**Figure 3. How Are Changes to the Pension Plan Determined?**



#### **4. Employer and Employee Contribution Rates**

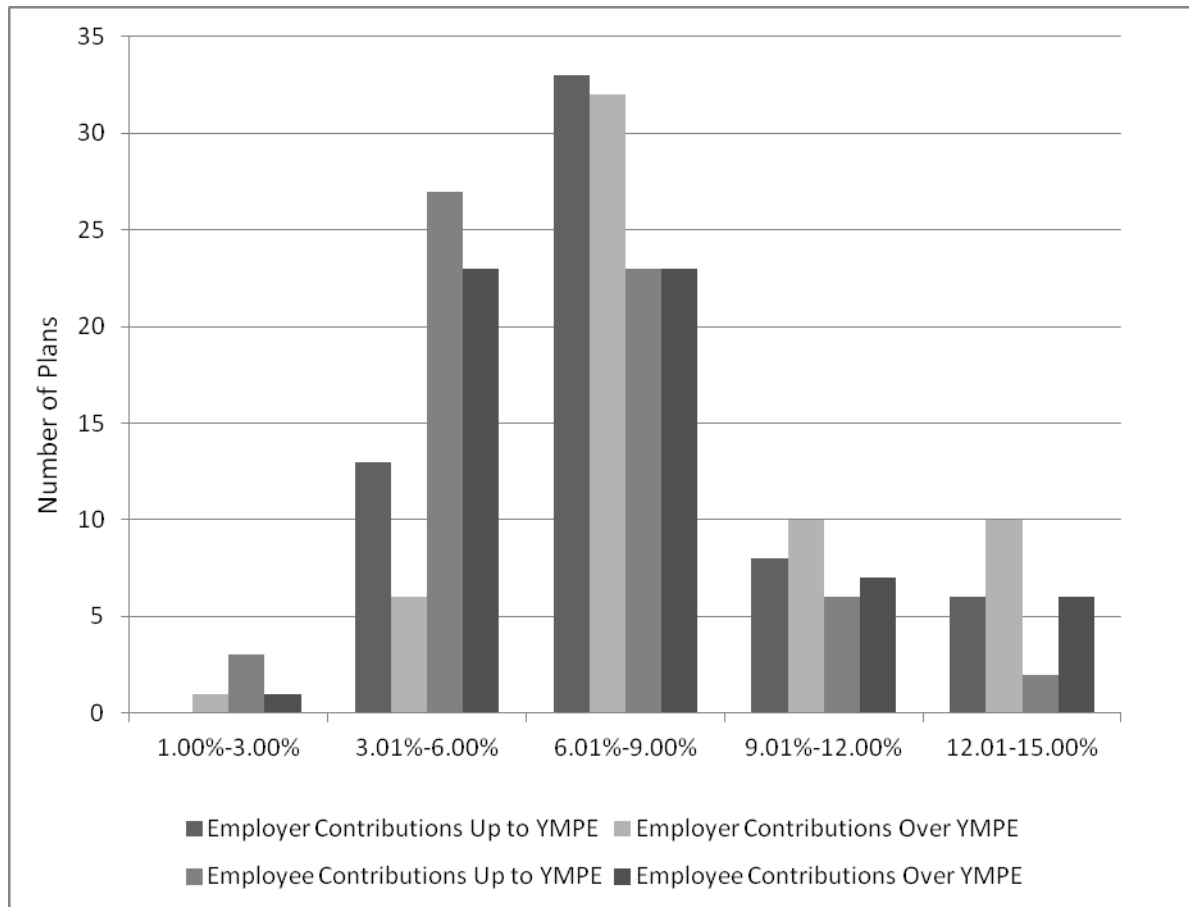
Respondents reported a range of employer and employee contribution rates under and over the Year's Maximum Pensionable Earnings (YMPE).

- On average, employer contribution rates from the plans analyzed were 8.07% (up to YMPE) and 8.90% (over YMPE). Across plans, employer contribution rates ranged from a low of 3.2% to a high of 14.6% (up to YMPE) and from a low of 5% to a high of 14.47% (over YMPE).
- Average employee contribution rates were 6.69% (up to YMPE) and 7.79% (over YMPE). Across plans, employee contribution rates ranged from a low of 3% to a high of 12.2% (up to YMPE) and from a low of 3% to a high of 14.4% (over YMPE).

Out of the 19 plans reporting complete under/over YMPE contribution rates for employers and employees in 2003 and 2013, it is worth noting the following changes:

- Three reported that contribution rates for both employers and employees remained unchanged.
- Two reported lower contribution rates up to YMPE for both employers and employees, and one reported slightly lower contribution rates for both employers and employees above YMPE (as well as slightly higher contribution rates up to YMPE).
- Of the 13 plans reporting an increase in contribution rates for either employers and employees, 2 plans reported no increase to employer contribution rates (i.e. only employee contributions were increased) and 2 plans reported no increase to employee contribution rates (i.e. only employer contributions were increased). All other plans (n = 9) reported increases for both groups.
- Where there were increases to employer contribution rates, these ranged from +1.00% to +4.06% up to YMPE, and +0.50% to +5.70% over YMPE. Where there were increases for employees, contribution rates increases ranged from +0.50% to +3.56% up to YMPE, and from +1.00% to +5.20% over YMPE.

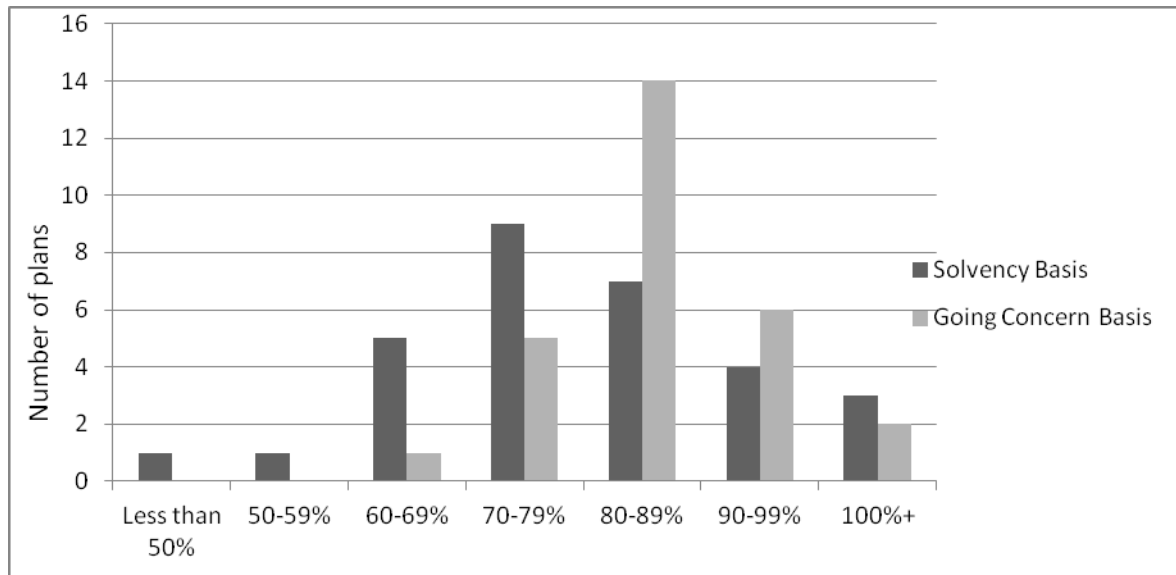
**Figure 4: Employer and Employee Contribution rates**



## 5. Plan Funding

Asset-to-liability funding ratios were reported for 30 plans valuated within the last five years. A significant number of DB and hybrid plans remain underfunded. The Province of Alberta's Universities Academic Pension Plan (UAPP) reported the lowest funding ratio, at 49.3% on a solvency basis, and 66.6% on a going concern basis, based on the December 31, 2010 actuarial valuation (with net liabilities of \$1.1 billion reported as of the end of 2012).

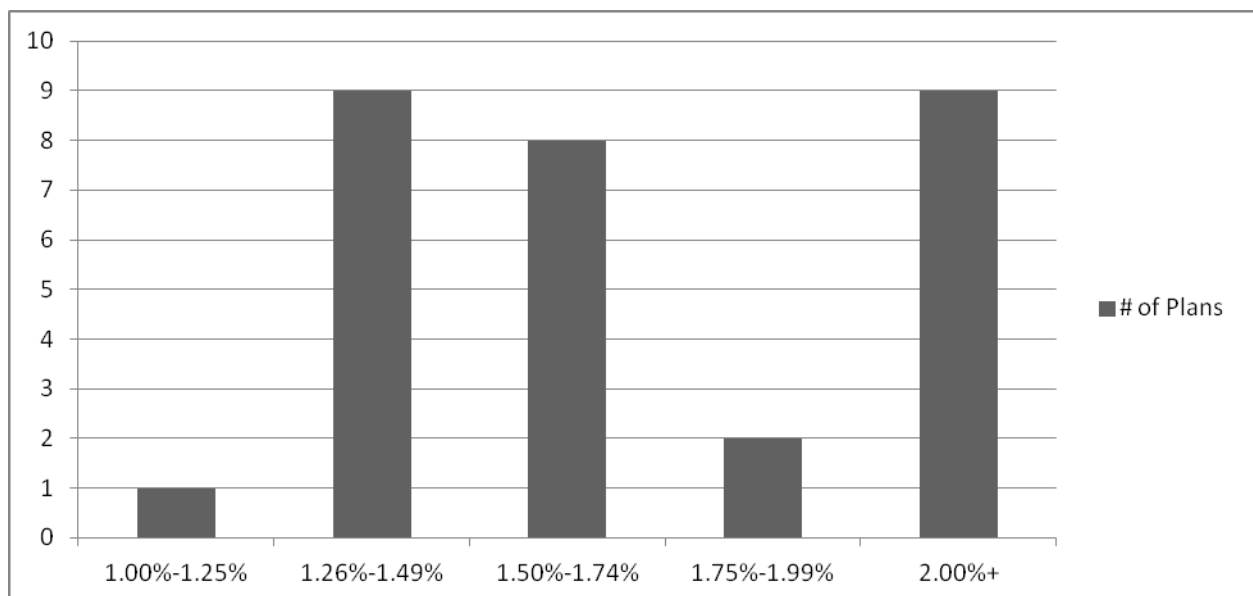
**Figure 5: Pension Plan Funding Ratios**



## 6. Accrual Rates

Finally, accrual rates were reported for 29 DB and hybrid pension plans. Rates vary from a low of 1.0% to a high of 2.0% up to YMPE, and are generally 2.0% over YMPE. (The exceptions to the latter include two plans which have an accrual rate of 1.9% over YMPE, one with 1.8%, and one with 1.7 %.)

**Figure 6: Accrual Rates for DB/Hybrid Plans up to YMPE**





## **Appendix A: Participating Associations**

Acadia University Faculty Association (AUFA)  
Alberta Colleges and Institutes Faculties Association (ACIFA)  
Algoma University Faculty Association (AUFA)  
Association des bibliothécaires, des professeures et professeurs de l'Université de Moncton (ABPPUM)  
Association des professeur-e-s d'Université de Hearst (APUH)  
Association des professeures et professeurs de l'Université de Moncton, campus de Shippagan (APPUMCS)  
Association of Academic Staff - University of Alberta (AASUA)  
Association of Professors of Bishop's University (APBU)  
Association of Professors of the University of Ottawa (APUO)  
Association of University of New Brunswick Teachers (AUNBT)  
Atlantic School of Theology Faculty Association (ASTFA)  
Brandon University Faculty Association (BUFA)  
Brescia Faculty Association (BFA)  
Brock University Faculty Association (BUFA)  
Canadian Military Colleges Faculty Association (CMCFA-APCMC)  
Carleton University Postdoctoral Association (CUPA)\*  
Concordia University College of Alberta Faculty Association (CUCAFA)  
Concordia University Faculty Association (CUFA-APUC)  
Faculty Association of the University of St. Thomas (FAUST)  
Federation of Post-Secondary Educators of BC (FPSE-BC)  
Huron University College Faculty Association (HUCFA)  
King's University College Faculty Association (KUCFA)  
Laurentian University Faculty Association (LUFA)  
McGill Association of University Teachers (MAUT)  
McMaster University CUPE 3906 (CUPE 3906)\*  
McMaster University Faculty Association (MUFA)  
Memorial University of Newfoundland Faculty Association (MUNFA)  
Mount Allison Faculty Association (MAFA)  
Mount Saint Vincent University Faculty Association (MSVUFA)  
Nipissing University Faculty Association (NUFA)  
Northern Ontario School of Medicine Faculty Association (NOSMFA)  
Nova Scotia College of Art and Design Faculty Union (FUNSCAD)  
Ontario College of Art & Design Faculty Association (OCADFA)  
Ontario Public Service Employees Union (OPSEU)\*\*  
Osgoode Hall Faculty Association (OHFA)  
Professors' Association of Saint Paul University (PASPU)  
Queen's University Faculty Association (QUFA)  
Royal Roads University Faculty Association (RRUFA)  
Saint Mary's University Faculty Union (SMUFU)  
St. Francis Xavier Association of University Teachers (ST.FXAUT)  
Syndicat des professeurs et professeures de l'Université Laval (SPUL)  
The Faculty Association of the University of Calgary (TUCFA)  
Trent University Faculty Association (TUFA)

University of British Columbia Faculty Association (UBCFA)  
 University of Guelph Faculty Association (UGFA)  
 University of Lethbridge Faculty Association (ULFA)  
 University of Manitoba Faculty Association (UMFA)  
 University of Northern British Columbia Faculty Association (UNBCFA)  
 University of Ontario Institute of Technology Faculty Association (UOITFA)  
 University of Prince Edward Island Faculty Association (UPEIFA)  
 University of Regina Faculty Association (URFA)  
 University of Saskatchewan Faculty Association (USFA)\*\*\*  
 University of Toronto CUPE 3902 (CUPE 3902)\*  
 University of Toronto Faculty Association (UTFA)\*\*\*\*  
 University of Victoria Faculty Association (UVICFA)\*\*\*  
 University of Western Ontario Faculty Association (UWOFA)  
 University of Winnipeg Faculty Association (UWFA)\*\*\*  
 Wilfrid Laurier University Faculty Association (WLUFA)  
 Windsor University Faculty Association (WUFA)  
 York University Faculty Association (YUFA)

\* None of the members at CUPA, CUPE 3902 or CUPE 3906 belong to a pension plan.

\*\* OPSEU provided information for eight (8) plans. Four (4) of these plans cover academic workers, including all employees at Ontario College of Trades, instructors at York University, and faculty and support staff at Ontario Colleges of Applied Arts and Technologies and the Northern Ontario School of Medicine. Four (4) plans cover non-academic workers, including employees at Huron University College, University of Trent, Nipissing University and Ryerson Polytechnic University.

\*\*\* Algoma University has two (2) different plans for staff hired before 2006 and after. McGill University has a pre- (Hybrid) and post-2009 (DC) plan for its members. Winnipeg has a pre- (DB) and post-2000 (DC) plan for its members, as does University of Saskatchewan and St. Thomas More College. University of Victoria has two (2) different plans for academic staff that it represents. It has a Hybrid plan for its tenure-stream faculty and librarians, and a DC plan for senior instructors, teaching professors, and term appointments.

\*\*\*\* UTFA reported data for three (3) plans, including faculty and staff at University of St. Michael's College, Ontario Institute for Studies in Education and at the University of Toronto.



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