MAY 17, 2013

SUBJECT: IMPORTANT INFORMATION ABOUT YOUR PENSION PLAN

PLEASE READ THIS EMAIL ABOUT YOUR PENSION PLAN’S SUSTAINABILITY CAREFULLY. IF YOU ARE A RETIREE, REST ASSURED THAT YOUR PENSION BENEFITS REMAIN PROTECTED UNDER CURRENT LEGISLATION, AND YOU WILL RECEIVE YOUR PAYMENTS AS USUAL.

The University of Ottawa has applied for pension solvency funding relief from the Ontario government. By law, as part of this application, the University must share with you our framework to make your pension plan sustainable.

WE HAVE A LEGAL RESPONSIBILITY TO ENSURE YOUR PENSION PLAN IS FUNDED.

The University of Ottawa has a responsibility towards its employees to ensure its pension fund remains healthy, long term as well as short term. However, you must know that the University’s pension plan faces a pension solvency deficit of $289 million that must be funded. The University has a legal obligation to eliminate that pension solvency deficit, taking the funds from our operating budget if necessary.

The law requires us to pay that pension solvency deficit back over the next 5 years. That’s $62 million a year, about 9% of our total operating budget.

PENSION SOLVENCY FUNDING RELIEF TAKES SOME PRESSURE OFF, BUT REQUIRES US TO ACT.

The Government of Ontario offers relief that would allow us to pay down the deficit over 14 years, not five. This would be of tremendous help to our finances, and allow us to minimize some very hard budgetary choices.

However, applying for this relief requires us to take immediate action to make your pension plan more sustainable. We have shared this framework with our labour partners.

The changes we need are not radical. In fact, they are in line with what many other universities in Ontario have already achieved.

OTHER UNIVERSITIES HAVE MET THIS CHALLENGE.

We must recognize the problem is real, just as the province of Ontario does and just as many other Ontario universities have done.

Universities such as Toronto, Guelph, McMaster’s and Waterloo have all worked with their labour partners, through negotiation, to make their pension plans more sustainable. Our framework requires similar action.
LEARN MORE AT THE PENSION TOWN HALL.

It is important that you get all of the information you need. You are invited to a Pension Town Hall with uOttawa’s pension team and its independent actuary. This is your chance to ask any questions and to fully understand what applying for pension solvency funding relief means to you.

Pension Town Hall
When: Thursday May 23
   French session: 10:00 a.m.
   English session: 1:30 p.m.
Where: Alumni Theatre, University Centre (UCU)

Contact: vrafin@uottawa.ca