

Article 10: Retirement and Reduced Appointments

When it comes to retirement and pensions, everyone's situation is unique. Not all arrangements work in all situations. What follows is a brief description of sections of the CA that provide you the potential of working at a reduced load in the lead up to your retirement. These are options to consider when consulting with a financial advisor.

One of these options ("reduced appointments") is yours at the discretion of the administration, while the other ("pre-retirement election") is something that the administration is obliged to agree to if you are 65 or older. Reduced appointments are also available to Members not considering retirement, but are looking for limited-time flexible arrangements.

Reduced Appointments

Reduced Appointments, as described in sections 10.1-10.17, are when Members request a reduction of up to 50% in their duties. This can come in many different combinations of service, teaching, and research, as agreed upon between the Member, the head of the department, and the Dean/Director, who will make a recommendation to the Provost/VP Academic. The greatest amount by which the appointment can be reduced is 50%, but lesser reductions (e.g. by 25%) are also possible. Salaries are reduced accordingly.

These reductions are only available for tenured academics or Members on continuing appointments. They do not apply to Members on contingent or term appointments.

The longest a Member can be on a reduced appointment is 5 years, but shorter periods are allowed for. After 5 years have passed, the Member must either return to full time work, retire, or resign.

The advantage of reduced appointments is that a Member can work at a reduced rate while having their pension contributions continue as if they were collecting their full-time salary. Similarly, eligibility for research/study leaves continue to be counted by calendar year, rather than be pro-rated. Members on reduced appointments also have full access to their health benefits.

It's very important to note, however, that pay during sick leaves and the level of Long Term Disability benefits that one might need to collect while on a reduced appointment will be calculated based on the reduced salary the Member receives. This is also true of any research/study leave that is taken: the salary will be based on the Member's reduced salary. That is, if you are on a 50% reduced appointment, your research leave pay will be 80% of 50% salary for 6 months.

This means that taking sick leave while on a reduced appointment, or taking a reduction just before heading out on research/study leave, will have significant financial consequences.

Applications for reduced appointments have to be made 6 months in advance of the desired start date, and are made in consultation with department heads and deans/directors. The administration should accept or deny the application 4 months prior to the requested date. Similarly, Members can return to full appointments prior to the expiration of the agreed-to reduction if they give 6 months' notice.

Pre-Retirement Election of Reduced Duties

You are eligible for a Pre-Retirement Election of reduced duties if you are 65 or older. This results in a 50% reduction of duties, and the administration must accept the request. However, only reductions of 50% are available, and the Member must retire at the end of 5 years. Members can also choose to retire before 5 years pass.

Applications must be made 6 months in advance, and at least 4 months prior to the beginning of the reduced load the dean/director must meet with the Members to discuss the new allotment of duties.

The advantages to the 'pre-retirement election' are in line with those of reduced appointments: Members can continue to contribute to the pension plan as if one were working at full load, and will receive full life insurance and other benefits. However, certain benefits cannot be collected past a certain age – Long Term Disability, for example, falls into this category. Similarly, pension contributions cannot be made beyond December 1st of the year the Member reaches age 69. Just as in reduced appointments, LTD benefits, pay on research/study leave, etc., are calculated based on one's reduced salary.

Exceptions

These provisions were bargained into the latest collective agreement (2013-2016). Those who went on 50% reduction appointments before the onset of the current language (which took effect in 2013) are eligible to remain at a 50% reduction indefinitely.

Programs like these can be complicated, and no one is expected to navigate them alone. Whenever you have a question on any aspect of a reduced appointment, or any other aspect of the CA, contact the UMFA office before doing anything else.

Collective Agreement Language

Reduced Appointments

10.1 A Member shall be eligible to apply for a reduced appointment if he/she holds a tenured or continuing appointment.

10.1.1 A reduced appointment is a limited-time reduction from full-time workload to a part-time workload with special provisions for staff benefit coverage and pension contributions. The intention of the reduction is to provide:

- a) a method of transitioning to retirement; or
- b) flexible employment arrangements for a limited time.

10.2 The maximum reduction in duties from full-time service shall be fifty percent (50%).

The maximum duration for a reduced appointment shall be five (5) years (except for those who are on a reduced appointment prior to the date of ratification of the 2013-2016 Collective Agreement). The Member may return to full-time duties prior to the expiration of the reduced appointment, providing he/she gives the Provost and Vice-President (Academic) at least six (6) months' written notice of his/her intention to do so. At the end of the maximum five (5) year period for the reduced appointment, the Member must either return to a full-time appointment or resign/retire. For a Member whose reduced appointment was approved and/or commenced on or before the date of ratification of the 2013-2016 Collective Agreement, a reduced appointment according to the terms as approved and outlined in their reduced appointment letter of appointment shall be allowed to continue.

10.3 Members who are eligible for reduced appointments may make application therefore at least six (6) months prior to the requested commencement date of the reduced appointment. Normally decisions on the granting of reduced appointments will be made at least four (4) months prior to the commencement of the reduced appointment.

10.4 An application for a reduced appointment shall be submitted through the department head and the dean/director to the Provost and Vice President (Academic) for approval. The application shall be accompanied by the recommendations of the applicant's department head and dean/director. These accompanying recommendations shall specify the amount by which the appointment is to be reduced and the duties to be performed by the Member while on reduced appointment.

10.5 In determining whether to approve the reduced appointment, the Provost and Vice-President (Academic) will be guided by the reasons stated for the proposed reduction in duties, the academic and financial requirements of the department/faculty/school, and his/her assessment of the overall needs of the University.

10.6 A Member whose application for a reduced appointment is approved shall continue to be a member of the bargaining unit and shall be covered by this Agreement.

10.7 A Member whose application for a reduced appointment is approved shall have a "Base Salary Rate" computed as if the Member were continuing on full-time status. All relevant salary adjustments shall be applied to the Base Salary Rate. The "Actual Salary" to be paid the Member shall be pro-rated from the Base Salary Rate in direct relation to the approved reduction in duties for the reduced appointment.

10.8 A Member whose application for a reduced appointment is approved shall continue to participate in the University Pension Plan and other staff benefit plans provided for in s. 7.1.1. Except as provided in s. 10.9 below, both the Member's and the University's contributions shall be based on the Base Salary Rate and coverage for the University Pension Plan and the Life Insurance Plan shall be based on the Base Salary Rate of the eligible Member.

10.9 The contributions and coverage under the Long Term Disability Income Plan shall be based on the Member's Actual Salary.

10.10 For the purposes of computing credited service for the formula pension, a Member on a reduced appointment who is continuing contributions to the University Pension Plan based on his/her Base

Salary Rate shall receive credit as if employed on a full-time basis. The provisions of this section are subject to limits prescribed by the Canada Revenue Agency, the Income Tax Act and the Pension Benefits Act.

10.11 A Member on a reduced appointment is covered by the sick leave provisions in accordance with Article 22 and disability benefits from the Long Term Disability Income Plan referred to in Article 7. Sick leave and disability payments under the plans shall be on the basis of Actual Salary.

10.12 A Member whose application for a reduced appointment is approved shall have his/her vacation entitlement pro-rated on the basis of the reduced duties. Vacation pay shall be on the basis of Actual Salary.

10.13 A Member whose application for reduced appointment is approved shall continue his/her appointment status and shall be eligible for promotion, research/study leaves and other provisions of this Agreement. For the purpose of any assessment of performance, including those for salary increments, merit awards and promotion, a Member on reduced appointment shall be assessed on the basis of his/her actual duties.

10.14 Eligibility for applying for research/study leave shall be determined on the basis of calendar years of service as if the Member were working full-time. Payments to a Member on a research/study leave shall be reduced from the normal research/study leave salary by the same percentage as the Member's Actual Salary is reduced from his/her Base Salary Rate.

10.15 A Member whose application for a reduced appointment is approved shall receive a letter of appointment from the Provost and Vice President (Academic) which shall state:

10.15.1 The Member's current Base Salary Rate;

10.15.2 The percentage reduction in duties;

10.15.3 The Member's current Actual Salary on the effective date of the reduced appointment;

10.15.4 The effective date of the reduced appointment;

10.15.5 The revised duties of the Member; and

10.15.6 Any other related conditions.

10.16 The duties of the Member on reduced appointment may involve any combination of the Member's former duties; for example, for a faculty member these duties may involve teaching only, research only, or an appropriate combination of teaching, research and service.

10.17 No reduced appointment shall take effect until and unless the appointee indicates in writing to the Provost and Vice President (Academic) his/her acceptance of the reduced appointment and all of its terms and conditions as specified in the letter of appointment.

10.18 **Retirement and Reduction of Duties**

10.18.1 **Retirement**

All academic appointments, other than post-retirement appointments, shall terminate automatically upon retirement. A Member shall give his/her dean/director and the Provost and Vice-President (Academic) at least six (6) months' written notice of his/her intention to retire. The University may give one (1) or more post-retirement appointments to a Member. No such term appointment shall be effective for a period exceeding one (1) year. Sections 19.C.5.2, 19.C.5.3, 19.C.5.6 and 19.C.5.7 of this Article shall not apply to post-retirement appointments.

10.18.2 Reduction of Duties - Pre-Retirement Election

10.18.2.1 Members on tenured or continuing appointments who have reached or exceeded the Normal Retirement Date for Members, as defined in the University of Manitoba Pension Plan (1993), including those Members who have been forced to exercise their pension rights under the University of Manitoba Pension Plan solely due to the applicability of age maximums imposed by law, shall, upon application, receive a reduction of fifty percent (50%) of his/her duties and shall continue in his/her position on a half-time appointment for up to five (5) years after which the Member shall retire.

10.18.2.2 Members on half-time appointments are not eligible to return to full-time duties unless approved by the Provost and Vice-President (Academic).

10.18.2.3 An application for a half-time appointment shall be submitted, in writing, through the dean/director to the Provost and Vice-President (Academic) at least six (6) months prior to the requested commencement date of the reduced appointment.

10.18.2.4 Within two (2) months of receipt of the application, the dean/director shall consult with the Member, and assign, in writing, an allotment of duties that is consistent with the provisions of this Agreement on the duties of faculty members, librarians or instructors, and which amounts to half of a full load.

10.18.2.5 No half-time appointment shall take effect until and unless the applicant indicates in writing to the dean/director his/her agreement with the allotment of duties.

10.18.2.6 Members who continue on half-time appointments shall enjoy the same benefits as other Members on reduced appointments as provided for in sections 10.6, 10.7, 10.8, 10.9, 10.10, 10.11, 10.12, 10.13 and 10.14 subject to age maximums set out in the University Pension Plan 1993 and the University of Manitoba Long-Term Disability Income Plan.

10.18.2.7 Within twenty (20) working days after the end of each academic year, the University shall provide the Association with a report that confirms the total number of full-time equivalent positions that have been relinquished pursuant to s. 10.18.2 in the academic year that has just ended. For example, a faculty member who holds a 0.8 FTE appointment and continues as a 0.5 FTE appointment pursuant to s. 10.18.2 would add 0.3 FTE to that total number.

10.18.2.8 Nothing in s. 10.18.2 removes the right that a Member would otherwise have under this Agreement to retire outright, and the applicability of any notice period for retirement that is contained in s. 10.18.1 of this Agreement.

Questions or Comments? Email FAUM@UMFA.CA or call the office at **204-474-8272**.