



MUNACA

McGill University Non-Academic Certified Association

L'Association Accréditée du Personnel Non Enseignant de l'Université McGill

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December 10, 2009

EXECUTIVE BULLETIN

Unilateral Cuts to the McGill Benefits Plans

Dear Members,

As indicated at the Special General Assembly on December 1, 2009, the MUNACA Executive Board has been working with MUNASA, The Trades and MAUT, in an effort to reverse the decision that the Administration made regarding cuts to the Benefits plan.

Faced with an ultimatum from the Administration, the above mentioned groups, working through the Staff Benefits Advisory Committee (SBAC), put forward a settlement proposal that would have reduced the financial impact to the employees. This compromise was presented under protest and without prejudice to the fact that all groups agree that the University does not have the right to unilaterally amend the health and dental benefit plan as a way to reduce expenses by reason of its overall financial situation.

The proposal from the SBAC would have achieved the University's \$1 million in cuts; however, the Administration now wants even more!

It is the MUNACA Executive's position that this ultimatum be refused and protested immediately. To this end, the four employee groups are working on a united response to the Administration to be sent out tomorrow.

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President, SEIU, Local 800

Kathleen Tobin
Manager, Benefits

Kevin Whittaker
President, MUNACA

Edith Zorychta
Past President, MAUT

Dear Members of the SBAC,

The modifications to the design of benefits plans recently approved by the Board of Governors were part of a larger effort to achieve permanent budget savings to help the University face our current financial challenges, and achieve a balanced budget within the time frame agreed to with the government of Québec, while preserving our ability to fulfill our academic mission and attempting to protect jobs as much as possible. These measures were part of the budget plan approved by the Board of Governors to contain costs, by saving \$1 million a year in benefits related expenses.

The changes to the Health and Dental benefits plans came out of an extensive consultation process with administrative committees such as the Provost Task Force on Economic Uncertainty, the Internal Human Resources Committee, the Vice-Principal (Administration and Finance), the Executive Team, the Staff Benefits Advisory Committee (SBAC), and associations and unions representing various groups of employees of the University. Unfortunately, despite extensive discussions, these consultations did not lead to a consensus on what items could be modified.

Consequently, in order to deliver the budget plan mandated by the Board of Governors, the administration had to make a recommendation to the Human Resources Committee of the Board, and to the Board itself. Due process was respected.

However, there was a consensus on three (3) principles that guided the exercise.

- the benefits plan remains competitive with those of other research-intensive universities and other large provincial and national employers;
- as much as possible, choices between covered services would be based on medical evidence of the benefit of such services on overall health; and
- we would attempt to protect services that serve to protect and promote preventive health care and wellbeing of our plan members.

Since the Board of Governors approved the proposed changes, there have been two (2) subsequent meetings with the Staff Benefit Advisory Committee, which includes representatives of all employee groups and unions. Various alternative options were looked into, keeping in mind that the objective was to meet \$1 million annual saving.

The last proposal put forward falls within the intent of a \$1 million savings for next year, but it does not include longer term savings that are key to the exercise over the next few years: the eligibility rules for post-retirement benefits for future retirees (55-10) and the 2011 changes to the cost sharing of the Dental plan for future retirees (100% employee paid). These measures are necessary to achieve permanent future savings to the level expected and will be implemented. We did not propose to implement these changes next year, rather we wanted to provide longer notice to those affected. But these remain essential elements to address the University's financial challenges in years to come. We cannot reach our objectives without them.

We are prepared to take your last proposal to the Board of Governors for its consideration, if you assure us that the two (2) additional long term saving measures mentioned above are included, and that it will be supported by your various constituencies. We want nothing more than to arrive at a compromise that is acceptable to the whole community, and we wish this could have been done before the proposal was presented to the Board. If not, we will accept with regret that a compromise will not have been achieved, but we feel that the proper consultation has taken place and therefore there is no valid reason to revisit the decision of the Board.

Please advise by close of day December 11, 2009, that you wish to move forward with the revised proposal including the additional long term saving measures. Failing this, it is our intention to implement the measures adopted by the Board of Governors, as communicated to the community on November 24, 2009.

Sincerely,

François R. Roy