

In the matter of Final Offer Selection Arbitration

- between the -

Faculty Association of The University of Waterloo
("Association" or "FAUW")

- and the -

University of Waterloo
("University" or "Administration")

Final Response Brief
of the
Faculty Association of the University of Waterloo (FAUW)

Respectfully submitted to
Arbitrator Kevin Burkett
April 8, 2024

On Behalf of the Faculty Association of the University of Waterloo:
Kate Rybczynski, Department of Economics
Greg Berberich, School of Accounting and Finance
Michael Wallace, Statistics and Actuarial Science

Based on the recommendations of Arbitrator Burkett at the conclusion of the arbitration hearing, FAUW respectfully submits our final offer for Arbitration which is aligned with the recommended settlement terms: scale increases of 3.9%+0.8% catch-up (=4.7% total), 2.8%+0.8% catch-up (=3.6% total), 2.2% with a reopener, a 3% salary structure adjustment, and the HCSA proposed by the Administration.

- Term of agreement: 1 May 2024 to 30 April 2027
- Scale Increases:
 - 1 May 2024: 3.9% + 0.8% catch-up
 - 1 May 2025: 2.8% + 0.8% catch-up
 - 1 May 2026: 2.2%, with an automatic reopener
- Salary structure (Floors, Thresholds and SIU) increase by 3%
- The Health Care Spending Account (HCSA) proposed by the Administration (\$300 per 12 months per active employee which can accumulate to a maximum of \$600 over 2 years).
- Reopener clause on scale for 2026 only, where the reopener is automatic (no trigger), and scale will be no less than 2.2

Appendix E.1. Contains this offer, formalized in a Memorandum of Salary Settlement. This document reflects the understanding established by the Administration during the Arbitration hearing that:

- Both parties agreed to the 3% increase to salary structure.
- The Administration clarified that the University will pay for the Health Care Spending Account with new money to the extended health benefits plan (that it would not be paid for by shifting funds away from other existing extended health benefits).

The timeline and procedural details for the reopener were not established during the hearing, so we propose a simple option of a timeline and process that replicate our regular negotiations.

This offer also reflects the following items clarified during the March 25th Arbitration Hearing.

1. That the starting point for these scale negotiations is the annual average inflation from the year-prior to the scale year. And therefore, for the 1 May 2024 scale increase, the starting point was established as 3.9%, the annual average CPI increase for the 2023 calendar year.
2. That addressing wage erosion¹ remains an important principle in our salary settlement negotiations. This final offer represents a partial catch-up for the recent wage erosion (1.6% of 5.07%), with the reopener offering a further opportunity to address this gap. In this way, the reopener also provides some protection against being “first out of the gate,” since Waterloo is among the first of our comparators to be freely negotiating for 2024 onward in the new inflationary and post Bill 124 environment.
3. While FAUW remains committed to achieving a comprehensive health care benefits plan in future negotiations, we accept the Administration’s current offer of an HCSA as a complementary benefit.

¹ With recent historically high unanticipated inflation during 2020-2023, our scale increases have not kept pace with cost-of-living increases.

E.1. Memorandum of Salary Settlement, Proposal E

MEMORANDUM OF SALARY SETTLEMENT April 8, 2024

The University of Waterloo and the Faculty Association of the University of Waterloo hereby agree to the following salary settlement decision:

1. Term of agreement: 1 May 2024 to 30 April 2027 (three years).
2. Scale increases:
 - effective 1 May 2024: 3.9% + 0.8% catch-up
 - effective 1 May 2025: 2.8% + 0.8% catch-up
 - effective 1 May 2026: 2.2% + see paragraph 5
3. Effective 1 May 2024, all salary structure Floors, Thresholds and SIU will increase by 3%.
4. The University shall recommend to the Pension & Benefits Committee (P&B) the introduction of a new benefit in the form of a Health Care Spending Account (“HCSA”) in the amount of \$300 per 12 months for each faculty member, actively employed on or after May 1, 2025. The annual amount of \$300 per each actively employed faculty member, can be accumulated over two years, to total a maximum of \$600. This new benefit will be paid for by the University increasing its annual contributions to the current extended health benefits plan accordingly.
5. Reopener Clause: The parties agree to re-open negotiations on the scale increase for 1 May 2026. The reopener negotiations shall be conducted according to the timeline and terms for compensation negotiations set out in the Memorandum of Agreement, Article 10, with the exception that only the 1 May 2026 scale increase is up for negotiation and that the 1 May 2026 scale increase shall be no less than 2.2%.

For the University:

Christine McWebb
Chief Negotiator

Mark Giesbrecht

Bruce Frayne

For the Association:

Kate Rybczynski
Chief Negotiator

Michael Wallace

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