

WITHOUT PREJUDICE – FAUW PROPOSAL 03/02/2025

**LETTER OF UNDERSTANDING**

BETWEEN:

THE UNIVERSITY OF WATERLOO  
(THE “UNIVERSITY”)

-AND-

THE FACULTY ASSOCIATION OF THE UNIVERSITY OF  
WATERLOO (THE “ASSOCIATION” or “FAUW”)

(Collectively, the “Parties”)

WHEREAS the Parties engaged in review and revision of *Policy 76 - Faculty Appointments* (“P76”) and *Policy 77 - Tenure and Promotion* (“P77”), and matters related thereto;

AND WHEREAS the Parties reached an agreement regarding amendments to P76 and P77 and matters related thereto, through Minutes of Settlement dated December 5, 2023 (the “Minutes of Settlement”);

AND WHEREAS, as a result of the changes to Policy 76, 77, and the Memorandum of Agreement between the Faculty Association of the University of Waterloo and the University of Waterloo (“MOA”), the University revised its existing employment agreement for faculty covered under the MOA to reflect the newly created faculty category of Teaching Stream Professorships for faculty transitioning to these new teaching stream positions (the “employment agreements”);

AND WHEREAS faculty have been asked to sign the new agreement to clarify and record changes to ranks and titles, to clarify existing salaries, and to clarify contract end dates for those who are definite-term;

AND WHEREAS the Parties agree that some clarification is required with respect to the terms of the employment contracts to ensure that they are compliant with University

Policies, including but not limited to Policy 76 and Policy 77 and the MOA;

NOW THEREFORE the Parties agree as follows:

1. The employment agreement (see Appendix "A") is an administrative document needed to ensure that faculty are recorded administratively with their correct new rank and title and details of their contract for recordkeeping. The employment agreement is not part of the new Policy 76 and Policy 77, and it is not part of the Minutes of Settlement. The employment agreement also helps to create certainty around these issues for transitioning faculty. The University acknowledges that the new employment agreement is not intended to, cannot, and will not be used to implement any terms or disciplinary measures that are inconsistent with the Memorandum of Agreement (MoA) or University Policies (as amended from time to time). The new agreement expressly acknowledges that all faculty are subject to the MOA and applicable University Policies, and to the extent of any inconsistency between these, or between present and future iterations of the employment agreement, the MOA and Policies (as amended from time to time) prevail over the employment agreement.
2. The University agrees to the following clarifications with respect to the identified clauses in the employment agreements. These clarifications apply to all employment agreements signed before or after the date of this Letter of Understanding (LOU):

- a. **Clause 1.2 Responsibilities and Duties:** "In this position, the Employee shall report to the [insert title to whom the Employee will report], or such other supervisor as may otherwise be assigned by the University."

**Clarification:** The University clarifies that clause 1.2 directs that the Employee shall report to the regular supervisor of their academic unit as defined under Policy 40. This supervisor shall normally be the Chair/Director of the Employee's unit.

- b. **Clause 1.3** "The Employee agrees to act in the best interests of the University at all times and to faithfully discharge their duties and responsibilities hereunder."

**Clarification:** "[A]cting in the best interests of the University" would necessarily encompass, but is not limited to, faculty members exercising their rights to academic freedom, as defined in the MOA. The employer cannot rely on Clause 1.3 to abridge faculty members' rights to exercise academic freedom, as defined in the MOA.

- c. **Clause 1.3** The employment agreements indicate that "failure to abide by provision [1.3] will result in discipline up to and including termination of employment".

**Clarification:** Any discipline would need to be taken in accordance with the MOA, and in particular article 8 of the MOA.

- d. **Clause 1.3:** "The Employee will devote their full professional time and attention to the business and affairs of the University, and the Employee agrees that any extra-university activity undertaken by the Employee shall be in accordance with University of Waterloo Policy 49 (Extra-University Activity (Faculty Members)) and Policy 69 (Conflict of Interest)."

**Clarification:** The employment agreement directly refers to Policy 49, which governs extra-university activity and to which the University adheres.

- e. **Clause 1.7:** [for definite-term faculty] "The employment of the Employee pursuant to this Agreement shall begin on [insert start date] and shall expire on [insert end date] (the "Term")."

**Clarification:** Definite-term faculty appointments are defined in P76 and P77. In accordance with P76, section 3A, "[f]or those whose first definite-term regular appointment was made after September 1, 2024, no further definite-term appointments can be made beyond the fifth year; however, they may be considered for probationary appointments" (Policy 76, Section 3A).

- f. **Clause 2.2 Group Benefits:** "The Employee acknowledges that the University retains the right to change or terminate these arrangements, if recommended by the Pension & Benefits Committee and approved by the Board of Governors, and that such change or termination will not constitute a constructive dismissal."

**Clarification:** Any change to or termination of pension and benefits by the University must be conducted in accordance with the notice and consultation obligations under Article 11.1.4 of the MOA.

- g. **Clause 3.2 Loss of Immigration Status:** "The authorization to work in Canada is granted to the Employee personally by relevant government authorities, and the University cannot guarantee that it will not be revoked. The Employee is required to maintain a valid work permit or other formal documented permission during the entire period of this appointment. Should the Employee fail to provide an up to date work permit or other permissions to the University, or should such work permit or permissions be revoked, at any point during the appointment, the Employee's employment with automatically terminate. In that circumstance, the University will provide the Employee with only the minimum amount of written notice or pay in lieu thereof (or a combination of both), severance pay (if applicable), continuation of applicable benefits, and all other minimum entitlements owed upon termination under the Employment

Standards Act, 2000 (“ESA”), including payment of accrued but unpaid wages and vacation pay. The Employee agrees and acknowledges that if the Employee’s employment terminates for failing to provide an up to date work permit or other permission to the University, or for having such work permit or other permission revoked, however caused, they shall receive only those entitlements set out in this Article 3.2 and the University shall not have any further or other liability to the Employee whatsoever, and the Employee hereby waives any right that they have, or may have, to receive reasonable notice at common law or any further entitlements.”

**Clarification:** If someone is not legally entitled to work in Canada or fails to provide the University with proof of their eligibility to work in Canada, the University cannot employ them. The University could re-employ the individual if they later become eligible to work in Canada. The University must adhere to the *Immigration and Refugee Protection Act*.

- h. **Clause 4.2:** “Work Product” shall be deemed to include all original artistic, literary or other work product created by the Employee, including business methods, coding, compiled data, compositions, computer programs, concepts, designs, prototypes, discoveries, drawings, formulae, improvements, inventions, know-how, papers, processes, research materials, sketches, technological advances, and trade-secrets.


**Clarification:** The list is meant to be inclusive of all possible work products that are produced by faculty members across all six faculties at the University of Waterloo. When a “scholarly work” as defined in Policy 73 is interpreted also to be a “work product” as defined in the employment agreement, Policy 73’s provisions regarding “scholarly work” always take precedence.


- 3. The Employer agrees that all employment agreements will be interpreted and applied in a manner consistent with the relevant clarifications.

DATED at Waterloo this February 3, 2025.

FOR THE UNIVERSITY

FOR THE ASSOCIATION

  
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James Rush

  
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David Porreca