

MEMORANDUM OF SETTLEMENT

Between

the University of Waterloo (the "University")

And

the University of Waterloo Staff Association (the "Association")

1. Purpose

In accordance with the Memorandum of Agreement (MoA) between the University and the Association, this Memorandum of Settlement (the "Memorandum") sets out the terms and conditions agreed to by the parties with respect to Compensation Negotiations.

2. Term

The parties agree to a two-year Term: May 1, 2026 to April 30, 2028.

3. Salary Range Adjustment

The University agrees to adjust the University Support Group (USG) job grades on each May 1 during the Term, as follows:

- On 1 May 2026, increase the salary ranges by 2.6%.
- On 1 May 2027, increase the salary ranges by 2.5%.

4. Salary Increases

The University agrees to provide a Compensation Envelope to support the calculation of individual salary increases each May 1 during the Term, as follows:

- On 1 May 2026, Compensation Envelope of 3.6%.
- On 1 May 2027, Compensation Envelope of 3.5%.

The University agrees to allocate the Compensation Envelope across the three components, as follows:

Component	1 May 2026	1 May 2027
• Across-the-Board (ATB) Increases	2.6%	2.5%
• Equity Pool	1.0%	0.5%
• Flexible Increase Pool (FIP)	0.0%	0.5%

The application of the Across-the-Board (ATB) Increases and distribution of the Equity Pool shall follow the MoA provisions. The Flexible Increase Pool (FIP) shall be distributed to eligible Staff in accordance with the allocation model commencing in the second year of the Settlement.

4.1 FIP Allocation Model

Staff who are eligible for an ATB Increase may also receive a salary increase through the FIP on May 1, 2027.

The total FIP shall be split across organizational unit pools and each unit's pool will be calculated by applying the FIP component of the Compensation Envelope (as set out in section 4 above) to the unit's aggregate April 30, 2027 base salaries.

The allocation of a unit's pool among eligible Staff shall be determined at the discretion of the senior executive responsible for the unit (or their designate), taking into account the funding available. In determining individual allocations, consideration will be given to factors such as sustained contribution and position within the salary range, with a view to supporting appropriate salary progression and maintaining internal equity.

Recognizing that the FIP represents a new mechanism, the University agrees to develop and confirm the detailed guidance needed to support senior executives' appropriate application of the FIP across eligible Staff in their units, and to review and receive recommendations on this guidance from the Staff Relations Committee (SRC).

4.2 Pay Advices

The University shall not generate or distribute individualized communications detailing the specific calculation of the salary increases. Staff shall access their Workday record for confirmation of their updated base salary.

5. Compensation-related Policies and Practices

5.1 The University will contribute \$300,000 per annum to the Staff Excellence Fund (SEF) during the Term, for which funds will be allocated through the current, established processes. Any unspent SEF allocations at the end of a fiscal year will roll over to the following fiscal year and will be available in addition to the annual \$300,000 allocation. Further, the parties will commit to a review of SEF governance, guidelines, and administrative processes through the SRC by September 2026. This review will focus on improving clarity, transparency, and awareness of the Fund, while ensuring its ongoing effectiveness and sustainability. Any detailed changes related to program structure, eligibility, funding streams, communication, or the management of recurring initiatives, including consideration of professional development as a new funding stream, will be developed collaboratively through SRC.

5.2 The parties will jointly request that the SRC amend Policy 6: Vacation – Staff and will recommend to their respective SRC members that the SRC will establish a Terms of Reference for a policy development and amendment committee relative to Policy 6: Vacation – Staff. The parties will recommend to the SRC that this work will include proposing improvements to access to vacation in the first year of employment, aligning the two existing administrative methodologies for Staff with indefinite and definite term positions

into a single, consistent approach, and adjusting to a September to August vacation year for Staff with indefinite term positions.

- 5.3 The parties will jointly request that the SRC update the Emergency Leave guidelines effective September 1, 2026 to maintain paid emergency leave at three (3) days per calendar year while allowing Staff (with indefinite term positions or those with a definite-term position of one year or longer) to use these days for a broader range of personal needs.
- 5.4 The parties will jointly request that the SRC and FRC increase the number of paid sick days for full- and part-time employees with an appointment duration of more than three months but less than two years in Policy 23: Eligibility for Pension and Insured Benefits.
- 5.5 The Vacation Exchange Program, which provides a one-time salary adjustment of 2% in exchange for one week (5 days for full-time regular employees) of vacation for each year of participation (with a declared retirement date of no later than the first of the month coincident with or following the month the employee turns 71), continues to be in place to April 30, 2037 (replace April 30, 2034) for retirement on or before May 1, 2040 (replace May 1, 2037).
- 5.6 A Health Care Spending Account ("HCSA") in the amount of \$300 per policy year, shall be provided to non-retired Staff who are members of the group benefits program, effective 1 May 2026. The HCSA will be paid for by the University and administered by the extended health and dental benefits provider, GreenShield. The parties acknowledge that the University and GreenShield require time to implement the HCSA and expect it to be available within 90 days of finalizing the Memorandum.

The University shall make reasonable efforts to implement the foregoing within the timelines agreed upon; however, delays caused by factors beyond the University's control shall not constitute a breach of this Memorandum.

All other existing compensation-related policies and practices shall remain unchanged.

6. Implementation

Salary adjustments will be effective May 1 of each year. Retroactive adjustments, if applicable, will be paid as soon as practicable.

The parties acknowledge that the pay position for Staff will not fall below the 80% minimum of the salary range for their position, pro-rated for those with a Full-time Equivalency of less than 1.0, and that any adjustments required to maintain this minimum will be implemented outside of, and will not be part of, the Compensation Envelope. The parties agree to include a clause to the MoA to this effect, at the next opportunity.

7. Full and Final Settlement

This Memorandum represents a full and final settlement of all matters related to Compensation Negotiations for the Term.

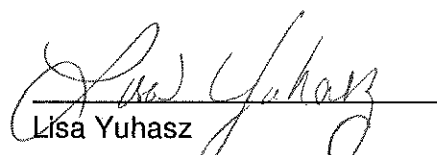
8. Approval

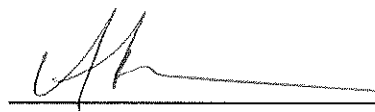
This Memorandum, including the terms of settlement outlined herein, is subject to approval by the University's Governance & Leadership Committee of the Board of Governors.

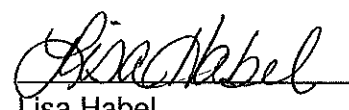
Signed this 28 day of April, 2026.

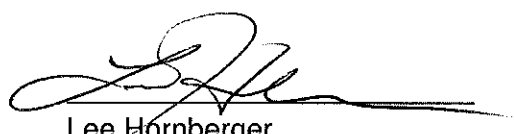
For the University of Waterloo:


For the University of Waterloo Staff Association:

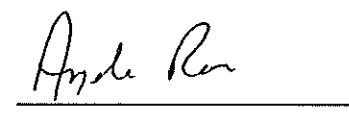

Lisa Yuhasz
Interim Chief Human
Resources Officer

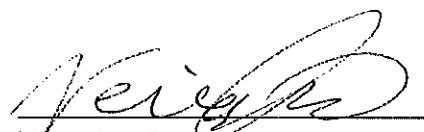

Alyssa Kuron
UWSA President

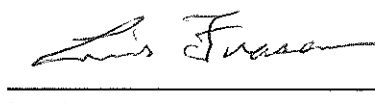

Lisa Habel
UWSA Past-President

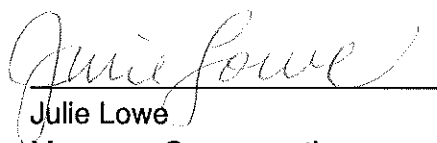

Lee Hörnberger
Director, Total Rewards

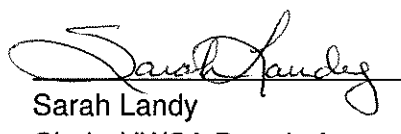

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