

Memorandum of Agreement

Between
McMaster University
And
The National Automobile, Aerospace Transportation
And General Workers' Union of Canada, CAW-Canada
And its Local Union No. 555
(together, the "Parties")

Re: Salaried Pension Plan - Maintaining Rule of 80 or Transition to Rule of 85

[Note: the Parties agree that this Memorandum of Agreement will not be included in the printed Collective Agreement]

1. The Union agrees that it will advise the University no later than January 4, 2013, of its decision to maintain Rule of 80 or transition to Rule of 85 for all employees¹ in CAW Local 555 Unit 1 bargaining unit, failing which, it shall be deemed to have decided to transition to Rule of 85;
2. If the Union decides to maintain Rule of 80, it agrees as follows:
 - i. that employee pension contributions shall increase to pay for the superior benefit relative to Rule of 85 in accordance with following schedule:

Effective Date	Employee Pension Contribution Rates on Regular Salary	
	Up to YMPE ²	Above YMPE
Date of ratification (no increase)	6.50%	8.75%
January 6, 2013 (Retro Rule of 80 + Ongoing Rule of 80)	6.50% + 0.75% + 0.56% = 7.81%	8.75% + 0.75% + 0.56% = 10.06%
September 14, 2014 (Negotiated Rate + Ongoing Rule of 80)	7.00% + 0.56% = 7.56%	10.00% + 0.56% = 10.56%

- ii. for any subsequent renewal of the collective agreement, employees in CAW Unit 1 shall pay for the superior benefit of Rule of 80 relative to Rule of 85 through increased pension contributions using the same costing methodology as employed to ascertain the increases set out in the table above and as outlined in the memorandum of agreement dated September 21, 2009, attached;

¹ If the Union decides to maintain Rule of 80, employees hired on or after May 1, 2010, are required to have attained age 60 in addition to Rule of 80. If the Union decides to transition to Rule of 85, employees hired on or after May 1, 2010, are required to have attained age 60 in addition to Rule of 85.

² YMPE - Yearly Maximum Pensionable Earnings as determined by Canada Revenue Agency (\$50,100 for 2012)

3. If paragraph 2 is applicable, it shall supersede Appendix VI (Employee Contributions to the Salaried Pension Plan) of the renewal collective agreement expiring April 30, 2016, to the extent of any conflict between paragraph 2 and Appendix VI;
4. If the Union decides to transition to Rule of 85, it agrees that that transition shall occur as follows:

Effective Date	Applicable Rule
Date of ratification	Rule of 80
May 1, 2014	Rule of 83
January 1, 2015	Rule of 84
January 1, 2016	Rule of 85