

Update to Senate October 11, 2016



Update to Senate

2016/17 Budget Review



\$Millions

Reductions / Negative Impacts

• Provincial grant reduction	8.3
• Pension contributions increase	1.1
• Attrition	<u>3.0</u>
	<u>12.4</u>

Revenue Increases / Positive Impacts

• Provincial Grant in lieu of tuition increase	4.0
• Attrition	3.0
• Administrative Budget Cuts	4.1
• Travel Reduction	<u>1.3</u>
	<u>12.4</u>

Update to Senate

2017/18 Budget Outlook



\$Millions

Reductions / Negative Impacts

- Provincial grant reduction 5.3
 - Pension contributions increase 3.4
 - Uncontrollable Inflation (e.g. library, energy, software) 3.1
- 11.8**

Revenue Increases / Positive Impacts

- Provincial Grant in lieu of tuition increase? 4.0
 - Efficiency savings 1.3
 - Annualization of 2016/17 grad tuition increase 0.7
- 6.0**

Current shortfall 5.8

Update to Senate Pension Plan Issues



The Memorial Pension Plan is well funded compared to other provincial plans, however special payments (~ \$27 million per year) are required per legislation. Government was making any required special payments up to the 2014/15 fiscal year but have ceased to do so.

Government has negotiated (with its unions) changes to the Public Service Pension Plan and the Teachers Pension Plan. A letter to the President from the Minister of Advanced Education, Skills and Labour indicates that “Prior to the changes, the taxpayers of the province carried a disproportionate share of the financial burden for the plans.”

“ The pension reform changes were premised on the following criteria:

- Benefits under the plans would no longer be guaranteed by the Government;
- Current retirees’ pensions would not be impacted;
- A defined benefit pension plan would be maintained;
- Accrued benefits were protected;
- Joint plan management; and,
- Implementation of a Funding Policy.

Update to Senate Pension Plan Issues



The key plan changes included contribution rate increases, changes to early retirement eligibility, changes to the pension benefit formula and suspension of indexing for future service”

The University Pensions Committee is advising the Board of Regents on this matter and has formed a Sub-committee of all stakeholder groups that will commence meetings with the Province on Wednesday, October 12th.