

Newsletter



McMaster University Faculty Association
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Ian Bruce, EDITOR

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Joint Committee Reaches Remuneration Agreement

Members of the Joint Committee reached an agreement regarding remuneration negotiations on Friday, March 3, 2006.

Details of the Agreement, along with a ballot, will soon be sent to all MUFA members who participate in the Career Progress/Merit (CP/M) Scheme. An information meeting at which Joint Committee members will be available to answer questions about the Agreement is being scheduled. We hope that all those eligible to vote will take this opportunity to make their views known.

Remuneration negotiations for Librarians will begin soon!



Letter to the Editor

The MUFA Executive is to be commended for the prominent article in the October/November issue of the Newsletter entitled “Bullying and Intimidation on Campus?” They identify a crucial issue facing our community. I share their concern, and I welcome the opportunity to work towards a resolution.

The article refers to behaviour in academic units that is “aggressive, intimidating, demeaning and degrading”. Strong words, but entirely justified in my experience. To be perfectly clear, I am not talking about the vigorous discussion and debate that lies at the heart of academic life. The problem comes when discussion and debate takes the form of personal attacks intended to impugn the academic and personal reputation of colleagues. In extreme cases, these attacks reflect a pattern of behaviour that goes back many years and has served to divide the unit into warring camps; the pattern then perpetuates itself as attempts are made to recruit new faculty to one faction or another.

The Executive is also correct in concluding that such behaviour has the inevitable effect of rendering an academic unit dysfunctional. Everyone loses in these instances — students, staff and faculty — and the effect is cumulative; dysfunctional units do not attract scarce university resources. To the long list of maladies cited in the article, I would add one more that I am increasingly aware of: the challenge of finding individuals to take on academic leadership positions or of retaining them in these positions.

How widespread is this problem? The Director of Human Rights and Equity Services, in his annual report to UPC (University Planning Committee) earlier this month, stated that he would put the number of “sick” academic units

of which he is aware at nine, spread across all Faculties. This is a startling statistic, with serious implications for both our teaching and research mission and the well-being of individuals in those units. What is to be done? The MUFA Executive wishes to initiate a conversation around what is appropriate and inappropriate behaviour among colleagues. This is a crucial first step, one that I and others in senior administration welcome and one in which we would be active and eager participants.

That conversation can in turn inform a review of the "Code of Conduct for Faculty". That document states that "Each faculty member is responsible for conducting himself or herself in a professional manner towards colleagues, students, staff and other members of the University community", and lists six specific guidelines. Perhaps we need to add another that requires members to behave with respect and due consideration of their colleagues. As is always the case, education is key.

These measures are essential, but so too is a willingness to invoke the sanctions on inappropriate behaviour set out in the Code of Conduct. I will be pursuing this avenue in those few cases where the problem is severe and where all other attempts to find a remedy have failed.

*Ken Norrie,
Provost & VP Academic*



Senate & Board Approve Recommendations of Ad Hoc Committee

In December 2003, the Joint Committee appointed a sub-committee of six members, three appointed by the Administration (Prakash Abad, Susan Denburg and Peter Sutherland) and three by MUFA (Donald Goellnicht, Marilyn Parsons and Les Robb), to conduct a review of the issues relating to contractually limited appointments (CLAs). The Sub-Committee submitted an initial report which focussed on short-term CLAs and their recommendations were approved as a Supplementary Policy Statement (SPS) to the Tenure & Promotion document (available on our web site at <http://www.mcmaster.ca/mufa/handbook/CLAappoint.html>).

The Sub-Committee then turned its attention to the issue of long-term contractually limited appointments and submitted its report on January 31, 2005 (available on our web site at <http://www.mcmaster.ca/mufa/handbook/CLATeachingProf.html>). With only minor changes, the recommendations were endorsed by the Joint Committee and approved by the Senate and Board.

In order to incorporate the recommendations into the Tenure and Promotion document, a drafting committee is now being struck with representation from Senate and MUFA.

McMaster Family Practice

We have received notice that recent additions to staff have enabled the McMaster Family Practice to increase its capacity to receive new patients from the surrounding community. They are, however, restricting this offer to those persons who are currently without a family physician.

If you are interested in following up on this offer, you should identify yourself as a McMaster faculty member or librarian. The McMaster Family Practice is located on 690 Main Street West, Suite A, Hamilton (Telephone 905-521-5015/5016)

MUFA Dues Waived for Months of February & March

MUFA members will once again notice a slightly larger paycheque in the months of February and March. At its regular meeting on January 13, 2006, the MUFA Executive

voted unanimously to reduce the mill rate from 5.0 to 0 for the months of February and March. A surplus of income over expenditures for this fiscal year is projected in the Nine-Month Budget Review 2005/06. In addition, MUFA reserves continue to be in a health state.

Don't Forget, when you are preparing your tax returns, MUFA dues are tax deductible.

CAUT Issues Another Travel Advisory

In June 2005, CAUT issued a travel advisory regarding a traveller's rights when at an American border — whether a land border or at a pre-clearance area in a Canadian airport. That advisory is available on their website at:

http://www.caut.ca/en/publications/traveladvisory/traveladvisory_ustravel.pdf

CAUT has now prepared a second travel advisory which details US policies and requirements for those seeking entrance to attend a conference in the United States. It is posted on their website at:

http://www.caut.ca/en/publications/traveladvisory/traveladvisory_conferences.pdf



New Members

Lori Burrows	Biochemistry & Biomed Sci
Saeid Habibi	Mechanical Engineering
David Potter	Chemical Engineering
Tulay Koru-Sengul	CE & B



Passage

B. Ann Oaks
Professor Emeritus, Biology, January 13, 2006



Pension Indexing

An issue you will take more seriously when you retire

by
Les Robb

I recently wrote an article for the Retirees newsletter about the pension increases that retirees received this January (reprinted below). Briefly, inflation increased the cost of living by about 2% over the year, yet pensions rose only by about a tenth of that amount (0.19%). This failure of pensions to keep up with the cost of living is a relatively new pattern. Over the last five years (ending with January 1, 2006) pensions have eroded by about 8.5%, though for the fifteen years before that (ending in 2001), the erosion was less than $\frac{3}{4}$ of 1%.¹ In the 1990s when stock markets were booming and asset returns in our pension plan were large enough so that full indexing was most often possible, we probably did not attach enough priority to this issue. We did discuss the matter in the late 1990s when we started to discuss the pension surplus distribution but the direction we ultimately took, the cash distribution, made it impossible to deal with the indexing issue at that time. Although it looks like we will do better on indexing in the next few years, given the backward-looking nature of the formula and the recent few years of good returns, it is perhaps time to begin to try to improve the indexing for future retirees (though those of us already retired would welcome inclusion in any such deal). Here then is the article.

What happened to my January pension increase?

You should have recently received a letter from Retirement Support Services (signed by Jeff Chuchman) letting you know that the pension increase for 2006 will be a tiny 0.19%. This note is intended to help you understand how the increase turned out to be so small when the pension plan's investment return for the past year (July 1 2004 to June 30 2005) has been 10%.

In an article in MURA News a year ago, I explained how the formula worked and provided a table showing how the calculation was done. I am not going to give the same degree of detail in this article as last year, but interested readers can read last year's article on the MURA web site:

http://mse.mcmaster.ca/MURA/pages/MURA_activities/MURAnews.Jan05.pdf

The pension increase calculation is based on the difference between the 5 year average rate of return and 4.5%. The calculation for the 2006 increase is as follows:

Calculation of Five Year Average (for 01/01/06 increase)	%
2005 Rate of Return (ending June 30, 2005)	10.00
2004 Rate of Return (ending June 30, 2004)	14.84
2003 Rate of Return	(2.57)
2002 Rate of Return for 6 months (Jan 1/02 to June 30/02)	(2.81)
2001 Rate of Return (ending December 31, 2001)	1.14
2000 Rate of Return for 6 months (July 1/00 to December 31/00)	2.84
Total Return for Last Five Years	23.44
Five Year Annual Average Return (Total Return / 5) =	4.69
(A) Rate of Return in Excess of 4.5% (4.69%-4.5%) =	0.19
(B) Average Consumer Price Index to June 30, 2004 =	2.08
Increase to Pensions (the lesser of A and B)	0.19%

As I explained last January, the calculation includes two half year periods because of a change in the reporting period in 2002 (from January to July). If you are comparing the above numbers to those I provided last year, you'll find that the return reported for the last 6 months of 2000 is less than last year's report (2.84 instead of 3.56). The number in last year's report was an estimate; 2.84 is the final number provided by the Auditors just recently.

With everything taken into account the 5 year average comes out at only 4.69%, barely above the 4.5% which must be earned before indexing begins.

Looking Ahead: What about next year?

It might be wiser of me to not write about this since I made an assumption that was not very helpful a year ago. Yet I will try again, as I know I have some readers that are very interested in this issue.

Next year the calculation will eliminate the 6 months in 2000 and the first 6 months of 2001 and will add the 2006 rate of return (July 1, 2005 to June 30, 2006). Again I must make an estimate for the last 6 months of 2001, but I think it unwise to just assume half of the 1.14% will be the final number. Rates were falling during this period and, in fact, rates go negative the next year. A more realistic assumption is that the earnings in the last 6 months of 2001 are lower than half the annual return, so I am going to assume a zero return (recognizing that this might still be optimistic). Making this assumption, the 4 year return (before adding in a guess about 2005-2006) would be **19.46%** [$10 + 14.84 + (-2.57) + (-2.81) + 0$].

The 5 year total needs to be 22.5% (4.5% X 5) before any indexing is earned so all that is needed for indexing to be possible next year (if the assumption above is correct) is that the pension fund earns more than 3.04% in 2006.

The markets have been doing very well over the past year and, as the markets go, so goes our pension fund. So the prognosis for a return above 3.04% and some indexing is good. Each additional 5 percentage points of return to our fund (over the 3.04% mentioned) allows for another percentage point of indexing. For example, an 8.04% return would allow for 1% indexing.

We are finally getting over the historical period of low and negative returns that have prevented us from getting indexing. It is still a challenge for our fund to do better than 4.5% each year by the amount of inflation so that full indexing can become a reality. Keep tuned.

¹The pension plan bases increases in any January on the CPI increases in the 12 month period ending in July of the previous year. I have used this metric in the calculations I report here. However, one could argue a December to December increase would be more appropriate for an increase starting in January and the calculations would differ slightly. In either case it is fair to say that the five-year loss is about 8.5% and the previous fifteen-year loss is about $\frac{3}{4}$ of 1%.

Everyone Wants Your Business!

Hamilton Philharmonic Orchestra

Towne Chevrolet



Housing

House for Rent Large fully furnished house on Dalewood Crescent in Westdale. Three bedrooms plus large study/guest bedroom. Three bathrooms. Garage. Quiet street close to conservation area and a short walk to McMaster and local parks and schools. Available August 20, 2006 for up to a year (dates negotiable). Non-Smokers and no pets. \$1,400/month plus heat and utilities. Contact 905-525-9140, x 23024 or x 27245.

House Sitter Reliable professional available to maintain and secure your property. Able to provide record and security checks. One year minimum commitment. For more information, please call 905-777-4550.

House for Rent (July 2006 - June 2007 — flexible) This home is perfect for a couple or family. It is a five-minute walk from McMaster University and Hospital. Located on one of Westdale's most exclusive streets — quiet and lined with large old oak trees. The backyard is a private, treed ravine lot with many mature trees. The

home is walking distance to the local elementary, middle, and high schools. Built in the 1930s, this 2½ story brick home has high baseboards and high ceilings. There are three bedrooms, three bathrooms, one office, living room, dining room and family room. The home is ideal for entertaining either indoors or outdoors. \$1950/month plus utilities. Call Virginia, 905-526-0387.

House for Rent Large fully furnished old house on lovely tree lined street. Four bedrooms plus study/guest bedroom, garage, washer-dryer, alarm system. Quiet street two minutes from Bruce Trail and golf course, and a 25 min. walk to McMaster; close to local bus and schools. Available immediately for up to a year (or longer; dates negotiable). Non-smokers. \$1,800/month plus heat and utilities. Contact (604) 904-1274, (626) 398-6758, or house@modernarchitecture.net

Msrch 17, 2006
pdk