

Memorandum of Agreement (Benefits)

between

Saint Mary's University Faculty Union (the Union)

and

Saint Mary's University (the Employer)

Regarding SMUFU assuming responsibility for providing Group Benefits for its Members

The Parties agree that:

1. Within thirty (30) days of the signing of this agreement, the parties agree to establish a committee to negotiate the transition from the current Group Benefit plan to a Union Trust. This will include but not be limited to administration requirements and re-entry to ISI SMU benefit program provisions. The decision on establishing the trust or staying in the current plan will be the responsibility of SMUFU. SMUFU shall advise the University in writing of their decision on establishing the Trust or staying in the current plan no later than 60 days from the ratification of this collective agreement.
2. Until such time as the Union Trust is in effect, the existing benefit plans shall remain in effect and shall be managed according to the practices and terms in place, subject to the approval of the insurers.
3. The Union shall manage a Union Trustee Group Benefit Plan for its Members. The Plan shall include all of the existing benefit plans (that is Group Life Insurance including Optional Dependent Life, Employee Assistance Plan, Long Term Disability, Extended Health Care including Supplementary Travel and Dental Insurance) provided to Union members. The Union Trustee governance arrangement shall allow for the Employer to appoint an observer or alternate to the Board of Trustees.
4. The Employer shall provide the Union with all current Group Benefit information they require (specific to Union members).
5. The Employer shall provide 2.2%, 2.2% and 2.4% in September 1, 2006, September 1, 2007, and September 1, 2008, respectively, of the salary base for Union Members as their premium contribution to the Union Trust Plan for Union Members. It is understood that should this amount prove to be insufficient to pay the required premium amount, the members enrolled in the Union Group Plan shall pay the difference. The University will not have any responsibility for any future deficits generated by the Union Trust.
6. The Employer will arrange for the Union to receive current master policies and amendments of its Group Benefits Plan. The Employer will cooperate with enrollment, deduction, remittance of premiums and provision of necessary data to the insurers for the purpose of the transition to the Union Trust. On an ongoing

basis the employer will continue to enroll new members on the union trust plan and adjust their payroll deductions to the levels identified by the union trust.

7. The Employer will continue with its duty to accommodate disabled employees within legally accepted guidelines.
8. Within sixty (60) days of the termination of SMUFU's participation within the ISI plan, all contribution to the Health and Dental Administrative Services Only surplus on behalf of SMUFU will be returned to SMUFU. These surpluses will include but not be limited to SMUFU's share of the claims fluctuation reserves or reserve deposit accounts. The applicable surplus will be calculated as per the mutually agreed upon termination date. In the case of disagreement, a mutually acceptable forensic auditor will be appointed.
9. A subsequent accounting will be concluded on the basic life and Long Term Disability (LTD) benefits reserves within twelve (12) months of a mutually agreed upon termination date. The final accounting to determine the distributable surplus, as of the applicable termination date, will be done by the current underwriter and reviewed by both SMU's and SMUFU's consultants based on generally accepted actuarial principles. The distributable surplus as determined above will be paid to SMUFU. If no agreeable resolution can be reached, a forensic auditor will be appointed to audit the results received from the basic life and Long Term Disability underwriter to determine whether the underwriter will be challenged on the results. Any costs associated with a challenge will be the responsibility of the party initiating the challenge. In the event of a challenge, neither SMU nor SMUFU will oppose the challenge.