

**LETTER OF UNDERSTANDING WITH RESPECT TO  
A VOLUNTARY RETIREMENT INCENTIVE PROGRAM**

Between

The University of Ottawa

(Employer)

AND

The Association of Professors of the University of Ottawa

(Association)

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WHEREAS the parties agree that this voluntary retirement incentive program is in the best interests of the employees in the bargaining unit represented by the Association and is intended to provide a voluntary retirement incentive that is in accordance with employment standards and human rights legislation;

THE PARTIES AGREE TO THE FOLLOWING TERMS:

1. Regular Faculty Members of the bargaining unit, as described in Article 1 of the collective agreement between the parties (a "member"), tenured language teacher and Librarians with continuing appointments who, as of 1 July, 2017, have 30 years or more of actual Credited Service as defined in the University of Ottawa Pension Plan, may apply to retire from employment in exchange for a voluntary retirement incentive payment. A member who is already in receipt of a retirement pension payable under the University of Ottawa Pension Plan, or a member who has received any amount payable under articles 40.3 of the collective agreement between the parties, is not eligible to apply for a voluntary retirement incentive payment. A member in receipt of LTD benefits may elect to retire but will no longer be eligible for LTD.
2. The amount of the voluntary retirement incentive payment shall be equal to the member's nominal annual salary at the date of retirement and shall be paid in a single lump sum payment as a retiring allowance subject to applicable statutory deductions. At the request of the member, the incentive payment can be made in two (2) installments over two (2) calendar years for tax purposes.
3. An application to voluntarily retire shall arise only pursuant to an application by a member and shall not be imposed by the employer and must be made by no later than June 30, 2017.
4. The eligible member shall be entitled to the voluntary retirement incentive payment only after an irrevocable retirement agreement in the form determined by the employer has been signed by the member. The irrevocable retirement agreement shall document the amount and timing of the voluntary retirement incentive payment.
5. A member who becomes entitled to a voluntary retirement incentive payment shall not be entitled to any amounts under article 40.3 of the collective agreement between the parties.
6. The date of a member's retirement shall be determined by the employee which shall not be prior to the completion of her scheduled teaching duties in a given term nor after the expiry date of this LOU.
7. This LOU expires at the end of the 2016-2018 Collective Agreement.