

Mil rate FAQs

What is a Mil Rate?

- The Mil rate represents the proportion of our members' salaries that funds the Faculty Association. A Mil rate of 10, for instance, would mean that 1% of members' gross salaries are paid to the Association as dues, and a Mil rate of 5 would mean .5% of members' gross salaries are paid to the Association as dues. Another way to think about it is to ask how many dollars a member pays in dues per \$1,000 of their salary (which is why it is called a *Mil* rate). So, a mil rate of 10 means a member pays \$10 for every \$1,000 of their salary, while a mil rate of 5 means that a member pays \$5 per every \$1,000 of salary.

What is the current Mil rate?

- The FA's current base Mil rate is 8, meaning that .8% of all Faculty Association Members' gross salaries are paid to the FA as dues. This rate was approved by the membership in 2018, along with the provision that this Mil rate would be reduced to 6 (or .6% of members' pay) as of July 1st, 2021.
- In addition to this Mil rate which covers the base operations of the FA (see below for details), Association members contribute an additional Mil rate of approximately 2.3 to cover our membership in the Canadian Association of University Teachers (CAUT) and the Confederation of University Faculty Associations of British Columbia (CUFA BC). The FA does not set these costs. The Mil rate including CUFA BC and CAUT dues is not the same for every Member because Members pay a 1.5 Mil rate plus a flat fee of \$7 per month (or \$84 annually) to cover these membership costs. So, depending on a Member's salary \$84 per year translates into a Mil rate of 0.84 at a salary of \$100,000, 0.56 at a salary of \$150,000 and 1.05 at a salary of \$80,000.
- Taking both the base Mil rate and membership costs, the total current Mil rate is approximately 10.3
- With the reduction of the base Mil rate in July, the total Mil rate will be approximately 8.3

Why is the Mil rate changing?

- In 2018, the membership voted to raise the Mil rate from 5 to 8 for a 3-year period in order to increase the defence fund, and to then decrease it from 8 to 6 at the end of that period. That 3-year period is ending this year.

What are these payments used for?

Base Mil Rate

- The Association is entirely self-funded; that is, it is funded by the dues paid by Members. Member funding covers the costs of all operating expenses, including administrative costs, staff pay and benefits, course releases (for work done by the FA Officers or on the



Negotiating team, for example), legal support, and the development and maintenance of a defence fund. Our membership in the CAUT defence fund is also funded out the revenues generated from a Mil rate of 8.

- The Association is responsible for a number of services via these dues:
 - Negotiating the Collective Agreement.
 - Administrating and enforcing the Collective Agreement on behalf of members. This could take the form of anything between informal consultations to securing formal legal representation.
 - Ongoing advocacy and representation (e.g. advocating for stronger workload supports and a suspension of CES during COVID)
 - Hosting events, workshops, seminars, committee meetings, etc.
 - Assisting members in various areas of concern: dispute resolution between members and with the administration; support for complaints to the Equity and Human Rights Office; tenure and promotion advice and support; disability, accommodation and return to work; addressing salary anomalies; gender pay equity; negotiating starting salaries; retirement planning.
 - Representation on Provincial and National organizations like the Canadian Association of University Teachers (CAUT) and the Confederation of University Faculty Associations of British Columbia (CUFA BC).

CAUT/CUFA Mil Rate

- CAUT provides us with various services, including access to the Defence Fund, free legal advice, training in various FA related issues for members and officers, and information about how FA's across the country address key issues. This has been particularly valuable during COVID.
- Both CAUT and CUFA-BC do important lobbying work to push governments to increase funding for higher education, including for graduate student support and faculty research, as well as doing important work supporting academic freedom.

What is a Defence Fund?

- The defence fund pays for arbitration in case a grievance filed on behalf of a member goes to arbitration. Arbitration involves seeking the conclusive judgment of a legally recognized arbitrator in cases where grievances cannot be settled between the FA and the University. Arbitration is expensive and costs approximately \$50,000.
- The defence fund pays for legal fees occurred in the pursuit of negotiating a collective agreement.
- The University will not cover members' salaries or benefits in the event of a job action (a strike or lockout). The Defence Fund is used to partially compensate members during a job action and cover costs associated with supporting members during such times (campaigns, additional office/admin /supplies, etc.)
- The defence fund grows by investing yearly budget surpluses into GICs.



How is the Mil rate decided?

- Any changes to the Mil rate must be approved by a 2/3 majority of the general membership of the FA.
- Before being brought to the membership by the FA's standing committees, such a motion would need to be recommended by the Financial and Investment Committee, the Executive Committee, and Council.

How will a Mil rate change affect my pay?

- For your convenience, we have prepared a table which shows how our current approximate total Mil rate affects the net pay of various salary ranges. Included in this table is the same information for the Mil rate as of July 2021 and the average Mil rate of comparator Universities.

Are FA dues tax deductible?

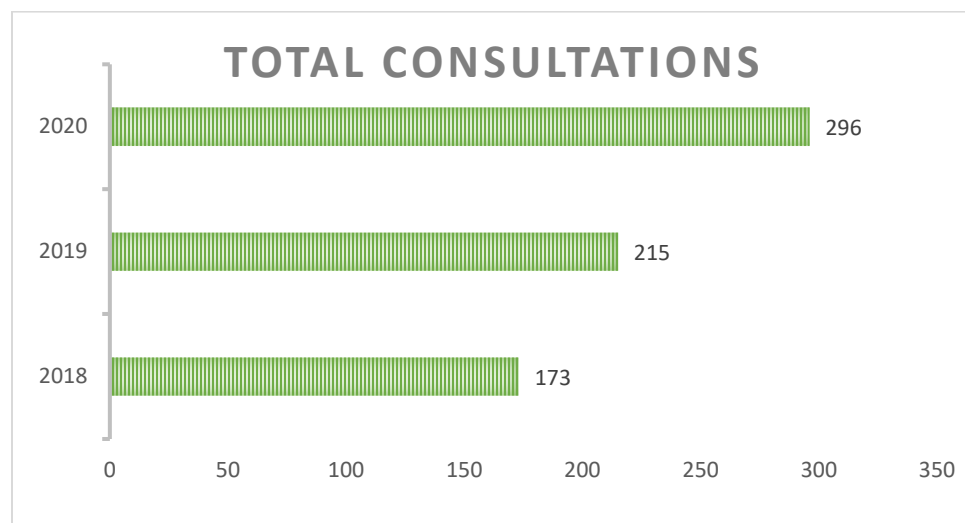
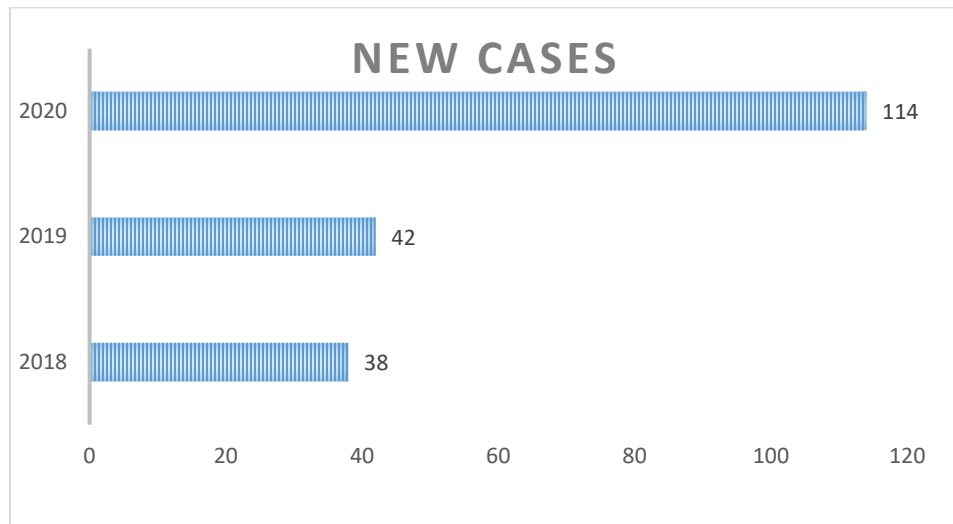
- Yes.

How does our Mil rate compare to other FAs?

- For your reference, we have included a table of comparator FA Mil rates.
- A recent (2019-2021) survey of 80 College & University Faculty Associations across Canada suggests an average Mil rate of 13 (1.3%)
- An analysis of Faculty Associations of comparator Universities suggests an average total Mil rate of 10.5 (1.05%). Our current mil rate (of 10.3) is thus slightly below average. As of July 1 2021, it will be reduced to 8.3 and will be below average.
- Typically, Associations with fewer members have larger Mil rates.

How healthy is our budget at the current Mil rate of 8?

- Defence Fund
 - o This year, the Association expects to be able to grow the defence fund to around \$900,000 due to the Mil rate of 8, which will meet the goal of the member vote in 2018.
 - o The Association has also been able to grow its operating fund.
 - o A defence fund of \$900,000 will be able to cover legal costs during negotiations and provides enough funds to cover any arbitrations we would encounter in the case of grievances. Where the money gets tight is if we started to pay compensation to our members during a strike. See the DF fact sheet for more details.
- Operational Costs Over the Last Year
 - o Meeting online has decreased the costs of hosting meetings & attending relevant conferences and workshops.
 - o Membership services has seen a significant increase in new cases and consultations with our members:



How will our budget and finances be affected at the scheduled reduction to 6 as of July 1st, 2021?

- With a Mil rate of 6, the association Revenues are expected to decrease from \$1,150,000 to \$910,000
- Expenses are expected to rise from \$847,370 to \$849,000
- We won't be able to further grow the defence fund. We also will not be able to expand support for membership services, which support FA members with advice and support in various employment related issues listed above, although as indicated above the demand for such services from our members has increased dramatically over the past year. Rather, a Mil rate of 6 will mostly just cover current operating expenses.