




OFFICE OF THE VICE PRESIDENT RESEARCH

MEMORANDUM

To: All Grant and Contract Holders

From: John Hepburn, Vice President, Research 

Date: 10 January 2007

Re: Policy #86 – Extraordinary Expenses – Grant and Contract-Funded Employees – Contribution Rate Changes Effective April 1, 2007

As you are aware, UBC's Policy #86 exists to protect researchers with grant and contract-funded employees, through the provision of a fund for extraordinary expenses not otherwise covered, such as maternity/parental leave, payment for unexpected severance arrangements and sick leave absences. Since the policy's creation in 1994, all grant and contract holders have been contributing to this fund through a deduction of 0.5% of salaries, excluding those for graduate students and post doctoral fellows, who are not eligible under this policy.

In recent years, the fund created through this deduction has been unable to keep up with the rising demands on it, due entirely to changing conditions within the University workforce. For example, the single largest strain on this fund has been the dramatic increase in maternity, parental, and adoption leaves over the past few years.

As such, the fund has been gradually shifting to a situation where the contributions rate deducted now fail to meet the needs of the expenses of the fund, and we have determined that an increase must be instituted. Effective 01 April 2007, we are raising this premium from 0.5% to 0.7%, a rate we are comfortable will allow the fund to continue to meet the needs it was designed to fulfill, without running into a deficit position. It is important to note that this represents the first time since the fund's implementation in 1994 that we have raised the contribution rate.

Each year going forward, we will be informing you of the results of our annual financial review as provided for in Policy #86 and advise you whether the current contribution rate is appropriate to meet the expected expenses. The results of these annual reviews may indicate a need for further change to the contribution rate (i.e., increase or

decrease), or no change at all. However, it is our expectation that the level of the current increase will continue to be rare.

As a matter of keeping the policy current, we wish to advise that a review will begin in the upcoming year, and the community will be given an opportunity to provide their input prior to final approval by the Board of Governors.

Thank you.