IN THE MATTER OF AN INTEREST ARBITRATION

BETWEEN:

THE GOVERNING COUNCIL OF THE UNIVERSITY OF TORONTO

("Administration")

– and –

THE UNIVERSITY OF TORONTO FACULTY ASSOCIATION

("UTFA" or "Association")

BEFORE: Jasbir Parmar, Sole Arbitrator

On Behalf of the Administration:
John E. Brooks, Counsel, Hicks Morley
Jonathan Maier, Counsel, Hicks Morley
Kelly Hannah-Moffat, Vice-President People Strategy, Equity & Culture
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On Behalf of the Association:
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Hearing held on May 23, 2026, followed by written submissions completed on May 29,2026.

INTRODUCTION

[1] This is an interest arbitration under the parties' Memorandum of Agreement (MOA). Article 6 of the MOA provides for negotiation, mediation, and dispute resolution processes for unresolved salary, benefits and workload matters. By mutual agreement, rather than proceeding before a three-member Dispute Resolution Panel, the parties appointed me to serve first as mediator and then, if necessary, to serve as interest arbitrator with respect to unresolved salary and benefit issues for the one-year period commencing July 1, 2026 and ending June 30, 2027.

[2] The University of Toronto (or the "University") consistently ranks as the leading university in Canada and amongst the top universities in the world. The Association represents all active and retired faculty members and professional librarians at the University. This includes approximately 3379 faculty members, 168 librarians, and 2123 retirees.

[3] The parties were able to resolve some issues through mediation. However, certain issues relating to salary and benefits remain in dispute.

PRIOR JURISPRUDENCE

[4] Article 6(16) of the MOA directs the Dispute Resolution Panel, or, in this case, the sole arbitrator, to resolve the issues in dispute in a manner that "reflect[s] the agreement the parties would have reached if they had been able to agree". These parties have a mature bargaining relationship. While they have frequently been able to reach agreement, they have on a number of occasions sought the assistance of an arbitrator. As such, there is a full body of jurisprudence involving these parties that speaks to the key principles to be considered. Both parties referred extensively to these decisions in their submissions. That includes the three most recent decisions of Arbitrator Gedalof, resolving various issues in dispute for the last two terms: 2020-2023 and 2023-2025. These decisions, issued on September 6, 2023, July 3, 2025, and January 12, 2026 (referred to, respectively, as *Gedalof 2023*; *Gedalof 2025;* and *Gedalof 2026*), set out the history of the parties' relationship and the principles that have historically guided their negotiated and arbitrated outcomes.

PRELIMINARY ISSUE RE: JURISDICTION

[5] The Administration takes issue with the Association's ATB salary increase proposal of 4.9%, submitting that it is not properly before me. This is based on the fact that the Association's proposal at the time of the mediation was for a lower ATB increase than that proposed at the hearing. The Administration submits that the parties' agreement with respect to the mediation-arbitration process does not permit the Association to make new proposals at the arbitration hearing, or to amend its proposals in a manner that increases the gap between the parties.

[6] The Association submits that I have jurisdiction over unresolved "issues" or "matters", and that the appropriate quantum of the ATB is an unresolved issue between the parties and not a new proposal. It also submits that while it has amended its proposal based on new information (i.e. new CPI information announced after the mediation but just days before the arbitration), the rationale underlying its position – that the ATB increase should account for CPI – remains the same. Further it submits that the Administration's jurisdictional objection improperly relies on information contained in without prejudice communications. In reply, the Administration submits a party is permitted to use information necessary to enforce an agreement.

[7] Ultimately I need not address this jurisdictional issue, since the Association's amendment to its position on the ATB is immaterial to the outcome of this case. This is because the appropriate outcome with respect to ATB, addressed below, does not fall within the gap between the Association's ATB proposal at mediation and the Association's ATB proposal at arbitration.

PARTIES' PROPOSALS AND ARGUMENTS

Salaries

[8] The Association proposes an across-the-board ("ATB") salary increase of 4.9% effective July 1, 2026 on "all components of salary at large". In addition, the Association expressly seeks the following with respect to the ATB:

- A distribution of the ATB that includes a 1% fixed dollar increase to base salary to be divided by the number of faculty and librarians and added as a fixed amount to each member's salary, prorated to their percentage of appointment;

- An increase to minimum overload course stipend rates by the ATB percentage increase(s), or the current CUPE Sessional Lecturer III rates, whichever is greater; and
- For the ATB increases to be applied to all current, former, and retired members for their time employed, effective as of their date of hire, including members in the first year of hire, including: base salary; salary floors; progress through the ranks (PTR) breakpoints; amount in PTR fund per full-time equivalents ("FTE") below and above breakpoint; overload stipends; and stipends for UTFA Academic Administrative roles.

[9] Meanwhile, the Administration proposes a 1.5% increase to base salaries effective July 1, 2026 for all faculty and librarian members who are actively employed on the date the arbitration award is received from the Arbitrator (if it is received after July 1). This 1.5% ATB increase to base salaries would be inapplicable to faculty members and librarians with firm salary offers commencing employment on July 1, 2026. The Administration also proposes to increase the minimum per course/overload stipend by 1.5% effective July 1, 2026.

Association's Argument

[10] The Association submits that an ATB of 4.9% for 2026 is necessary to restore the University's "top of market" status and keep up with inflation. The Association submits these two factors have historically informed outcomes arrived at through the parties' own bargaining as well as in arbitration.

[11] The Association explained it's ATB proposal as being based on three components.

[12] One component of the proposal is to address inflation over the prior year. The Association cites the most recent national CPI data from May 2026, showing year-over-year inflation at 2.8%. The Association submits that the parties' history, as acknowledged by Arbitrator Gedalof, is to give significant regard to the prior year's CPI in negotiating salary increases.

[13] Another component of the proposal is to obtain "catch-up" for erosion of wages in the years since the pandemic, when inflation was surging at the same time as the parties were negotiating under the constraints of Bill 124, which was ultimately determined to be unconstitutional. The Association submits that the parties' bargaining history, as

acknowledged by arbitrators, is that the gap resulting from wage erosion is ultimately closed. The Association submits that there is a gap of 1.4% between the wage increases from 2020 through 2025 and compounded inflation for that period. While the 2025-2026 salary increase closed some of the gap, the Association submits that a 0.6% shortfall remains and should be closed now.

[14] The third component of the Association's proposal is for a salary adjustment to reflect the University's "top of market" status. While expressing the view that the University's true comparators are global, the Association submits it is appropriate to consider the U15 Canadian universities as comparators that provide evidence of sectoral norms. With respect to determining "top" status, the Association submits that in the past the Administration has always referenced this assessment with respect to every rank and notes that Arbitrator Gedalof has as well. The Association submits that assessing "top" status without regard to rank, which it suggests the Administration does by referring to averages of faculty as a group, should be rejected. The Association submits that the available data shows that the Association's members are below their peers at UBC and Queen's. In particular, the Association focused on UBC, referencing *Gedalof 2026*, wherein it was found that the University of Toronto salaries fell behind UBC in 2024. Arbitrator Gedalof expressly noted that the ATB awarded was intended to ensure the University was restored to "top of market" for 2025. At the time of his decision, UBC had not yet completed its bargaining for that year. The Association relies on Arbitrator Gedalof's comments that the UBC outcome for 2025-2026 could be assessed in determining future University of Toronto wage increases. UBC now has a tentative agreement, subject to ratification, which provides for an ATB of 3% for each year from 2025 through 2028, with additional adjustments of 1-2% for certain lower-paid ranks. The Association submits that the ATB increase awarded in this round must take this bargaining outcome into account in order to ensure that the University does not fall behind UBC yet again.

[15] The Association also notes that most other U15 universities, including UBC, received an ATB increase for 2025 higher than the University of Toronto's 2.5% increase. The Association submits that a number of these universities were in a financial deficit position. Meanwhile, the University of Toronto's 2026-2027 budget report indicates it is in a "strong financial position", even accounting for increased compensation costs. It also projects an increase in operating revenue. The Association notes that since the issuance of that

budget report, the University's financial outlook has been bolstered by several recent funding increases, including $6.4 billion investment in universities and colleges by the Ontario government and an updated tuition framework that allows for 2% per year increases for three years.

[16] With respect to its proposal about the distribution of 1% of the total cost of the base salary increase as a fixed amount to each member, the Association submits this would be cost neutral to the Administration. However, because some members earn large salaries and others are close to the salary floor, the Association submits this proposal would provide internal equity by increasing lower salaries by a higher percentage.

Administration's Argument

[17] The Administration submits that a salary increase of 1.5% ATB is appropriate.

[18] Even though it is not making an "ability to pay" argument, the Administration submits an objective assessment of the University's financial situation is an inherent part of the replication exercise. While new financial investments have been announced by the Ontario government, the Administration submits that those must be considered in the context of the previous years under which the University had to operate under significant constraints relating to funding and tuition. The Administration submits that the growth in costs for operating salaries and benefits for the period 2021 to 2025 was twice the growth in revenue from tuition and operating grants. Furthermore, the University's 2026-2027 Budget Report states that revenue growth in 2026-2027 will fail to keep pace with general inflation. Meanwhile, the total compensation costs for faculty members and librarians increased by 15.5% from 2024-2025 to 2025-2026. To manage this, shared service budgets have been reduced by 5%, and contingency and capital budgets have been reduced. The Administration acknowledges that there is a balanced budget for the upcoming year, but emphasizes that this does not capture current year funding allocations for capital building projects which are amortized over multiple years. The Administration submits that a better indicator of the University's financial situation is operating cash flow which dropped in 2024-2025. This, the Administration, argues reflects a tightening of the University's operating finances, which in turn militates against any non-normative salary increase.

[19] With respect to inflation, the Administration refers to the comments of Chief Justice Winkler in *University of Toronto and University of Toronto Faculty Associatio*n¸ 2006 CanLII93321, that the history of these parties is that salary increases are not pegged dollar for dollar to CPI. The Administration also notes while the parties have historically considered CPI based on the "prior year" approach, the "prior year" data are not available at this time. The Administration submits that the Association's proposal, based on considering CPI from April 2025 to April 2026 is not appropriate. In addition, the Administration submits that to the extent ATB has any historical connection to CPI for these parties it is fallen somewhere between national and provincial CPI. On this basis, the Administration submits the proper approach is to consider an average annualized calculation of federal CPI and Ontario CPI for the period from July 2025 to April 2026, which yields a 2.12% inflation increase. The Administration asserts its proposal of a 1.5% ATB is "extremely proximate" to CPI, and that in any event the highest salary increase warranted using the "prior year" inflation approach is 2.12%.

[20] The Administration submits that in terms of comparators, replication requires consideration of both the internal and external bargaining landscape of these parties.

[21] As such, the Administration submits regard must be given to the University's internal comparators, which Arbitrator Gedalof confirmed provided "importance guidance" in determining the appropriate salary increase for faculty members and librarians. The handful of other University of Toronto bargaining units that have settled their collective agreements for 2026-2027 have a salary increase of 1.8% or 2%, and the Administration submits this suggests the bargaining norms for the University.

[22] As for external comparators, the Administration disagrees with the Association that UBC is a proper comparator. The reason for this, it argues, is that the statutory bargaining structure under which UBC operates ties UBC's outcomes to those of the B.C. public sector. As such, the Administration submits that comparisons to UBC are of little value, given the University of Toronto operates in a fundamentally different landscape. While Arbitrator Gedalof described UBC as being "especially relevant" in *Gedalof 2026*, the Administration submits that he did not address this difference in structure. The Administration also recommends a conservative approach, and argues against using the UBC unratified agreement as a basis to definitively determine what the UBC salaries will be.

[23] The Administration submits the appropriate external comparators are other Ontario U15 universities. The Administration argues that the few collective agreements that have been settled at those universities do not support the Association's proposal of a 4.5% ATB salary increase. They range from 2% to 2.6% (although some include a lump sum or a 're-opener')

[24] As for the "top of market" principle, the Administration submits that salaries at the University already compare favourably to other Canadian universities. In support of this assertion, the Administration points to the average salary of faculty members at each of the full-time Professor, Associate Professor, and Assistant Professor ranks, as well as all three ranks combined. These, the Administration submits, exceed the mean salary of the same group(s) employed at other Ontario universities and U15 universities outside Ontario. The Administration submits that if its salary increase proposal for 2026 is awarded this would still be the case.

[25] The Administration is agreeable to the Association's proposal about the specific facets of compensation to which the ATB salary increase applies where it is identical to the manner in which it was applied by Arbitrator Gedalof. However, it takes issue with certain aspects of the Association's proposal.

[26] Specifically, the Administration submits that I should dismiss the Association's proposal to apply the ATB to "other components of salary at large" for the same reasons Arbitrator Gedalof did in his 2025 award – that it is ill-defined; it would constitute a breakthrough, and it is highly unlikely that the parties would agree to such proposal in free collective bargaining. The Administration also submits that I should dismiss the Association's proposal to apply the ATB increase to stipends for "UTFA Academic Administrative roles". The Administration submits ATB salary increases have never been applied to these stipends, which are subject to individual negotiation in the particular department where they exist and are dependent on a variety of different relevant factors specific to that department and role.

[27] As for distribution of 1% of the total cost of the base salary increase in a manner that results in a flat dollar increase to all faculty and librarians, the Administration submits this proposal would result in salary compression, and is fundamentally inconsistent with the manner in which salaries are determined. The Administration submits there is no inequity in paying individuals different salaries on the basis of the different work they perform given their rank and role. The Administration submits distribution of compensation from the

larger group of higher-earning tenure-stream faculty to the smaller group of lower-earning teaching stream faculty and librarians is not an outcome that would be achieved in free collective bargaining. The Administration also submits there is no demonstrated need to depart from the standard approach to ATB salary increases that have been followed in the past three Article 6 processes.

[28] In addition, the Administration submits that the Association's proposal for the ATB increase to be "effective as [the] date of hire" should be dismissed. The Administration submits the approach utilized by Arbitrator Gedalof should be followed, that approach being that ATB increases are to be applied to salary floors and any individually-negotiated starting salary is to be elevated to that floor salary floor if need be. Other than that, individually-negotiated salaries are not to be affected by the ATB salary increase.

PTR

[29] The Association seeks an increase to funding to the Progress Through the Ranks ("PTR") pool to 2% of total wages.

Association's Argument

[30] The Association submits that PTR represents 1.56% of salary, even though historically it has ranged from 2.78% to 3%. The Association submits that PTR is an amount given in recognition of merit and in place of promotion increases, and that the erosion of PTR funding means that PTR awards are no longer large enough to ensure career progress, promotion and merit are compensated at market value. In support of this assertion, the Associations points to the fact that some 200+ members had salary adjustments under the heading of "anomaly adjustments" over the course of the past two academic years. The Association also points to PTR funding at other universities, in particular UBC, which has PTR-equivalent funding totalling 2.5% of wages. The Association submits that increasing the funding to 2% will move the University towards the top of the market. Furthermore, while its own calculations about PTR differ from that of the Administration, the Association submits that the Administration's information suggests that the Association's proposal would only require an increase of 0.183% of salary. The Association rejects the characterization of this proposal as involving a "drastic" change to the PTR framework, submitting it just requires an adjustment to funding.

Administration's Argument

[31] The Administration submits that the Association's proposal on PTR is a fundamental change to the PTR funding model, which has never been linked to a specific percentage of the salary base. The parties' longstanding practice has been to increase the PTR breakpoints by the amount of the ATB percentage salary increase. The Administration also submits that this proposal would involve a myriad of different issues related to how PTR is currently managed. The Administration notes that where there have been some adjustments to PTR funding in a particular year, those have been agreed to by the parties. Similar proposals by the Association, seeking a funding change with ongoing impact, were rejected by Arbitrator Winkler in 2006 and Arbitrator Gedalof in 2025.

[32] The Administration notes that a PTR-based award provides the same monetary benefit to faculty and librarians as an ATB increase, as it results in a permanent salary increase. The Administration submits that, while the parties have treated ATB increases separately from PTR awards, the costs associated with PTR must be considered in assessing total compensation. The Administration submits there would be a significant cost if the Association's proposal were granted. PTR costs for the last assessment period are already over $13 million dollars, an amount that is approximately 1.817% of the salary base.

[33] The Administration also submits that the Association's argument that the top of market principle supports its proposal is flawed. The Administration notes PTR forms part of a member's salary, and it is total compensation that is to be considered in determining top of market, not specific components of that compensation. Similarly, the Administration submits the Association's singular reference to UBC's approach to merit pay does not establish a sectoral norm.

Benefits

[34] The Association seeks the following health benefit improvements:

- Vision – increase from $725 every 24 months to $1000 every 24 months, and add "ophthalmologist" as service provider
- Eye exam – increase from $110 every 24 months to $125 every 12 months,

- Paramedical Services - add “Kinesiologist” to the qualified practitioner list
- Mental Health – increase from $7000 per year to $10,000 per year
- Prescription Drugs – remove the dispensing fee of $6.50 per prescription
- Compounded mixtures – allow reimbursement where compounded by a pharmacist if there is therapeutic need or lack of product availability
- Hearing care – increase from current benefit, of $1000 for one hearing aide per ear up to $2000 every 36 months, to $4000 one hearing aide per ear every 36 months
- Dependent definition – Amend to include unmarried child under age 25 if enrolled and in part-time attendance at an educational institute due to a disability or on temporary leave due to a disability

[35] The Association also seeks amendments to the Childcare Benefit, as follows:

- Increase age eligibility from 10 years to 12 years
- Increase maximum amount to be paid out from $1 million to $2 million

[36] For its part, the Administration proposes amendments to the following benefits:

- Restrict deluxe emergency travel provision to 60 days except in case of faculty members and librarians on research and/or study
- Introduce a cap of $10,000 per person per annum on private duty registered nursing services (with the one claimant currently exceeding this cap to be grand-parented)
- Provided that its emergency travel benefit and private duty nursing benefit proposals are awarded, an increase to the Childcare Benefit to $1,200,000.

Association’s Argument

[37] The Association submits that its proposals are targeted and seek incremental improvements to benefits that have not been increased since 2022. The Association submits the parties’ bargaining history indicates they regularly negotiate benefit improvements, and that the principles of replication and comparability support the improvements it seeks this round. The Association points to various other universities and

submits the improvements are necessary to maintain its proposed improvements are necessary maintain its top of market status. They are also necessary to ensure coverage keeps pace with inflation.

[38] The Association submits that the cost of its proposals is less than suggested by the Employer. Furthermore, given the University benefits are self-insured, to the extent there is a cost that only means the benefit is being used because it is needed.

[39] The Association objects to the Employer's benefits proposal, arguing that there is no demonstrated need for the concession. Furthermore, the Association submits that linking these concessions to the Child Care benefit simply pits members against each other.

[40] With respect to its own Child Care Benefit Plan proposal, the Association notes the amount of the benefit has not been changed since the Plan was instituted in 2008. The Association submits that a change is warranted to limit the gendered impact of an outdated and insufficient benefit. The Association also submits that an increase is warranted on the basis of inflation alone. The Plan provides for an annual per child maximum benefit of $2000. However, the Association submits that, as a result of recent changes that increased the number of eligible children, the individual benefit paid recently was less than $1000. The Association submits that there is clearly a need to increase the total amount payable under the Plan. The Association submits that, at the time the parties agreed to amendments that increased the number of eligible children, it was understood between them that the Association would be making a proposal to increase the pool of available money in order to have the amendments make any meaningful impact. That said, the Association submits that it is appropriate to further increase the age of eligibility, to 11 years, because prevailing guidance indicates children age 10 or 11 should not be left home alone. The Association also notes that the Canada-wide Early Learning and Child Care system only applies to children under age 6.

[41] In terms of comparators, the Associations submits that a higher amount per child is available under the Queen's and McMaster plans.

Administration's Argument

[42] The Administration submits that the "top of market" principle refers to total compensation, which is comprised of both salary and benefits. It does not mean, as suggested by the Association's argument, that each and every benefit must be superior to the comparators.

The Administration submits benefits must be assessed by looking at the entirety of the package. Instead, the Administration submits, the Association is "cherry picking" by pointing to other universities where a particular benefit may be higher. Moreover, in doing so the Association points to non-U15 universities, despite arguing that those are not appropriate comparators for the purpose of determining appropriate salary levels. The Administration submits that the benefits the Association seeks to improve are already superior than that provided by many other U15 universities. The Administration submits that when the benefit package is viewed in its entirety, it is already very competitive when compared to other employees at the University and other universities. As just one example, it is noted that retired faculty members and librarians receive the same benefit improvements as active members, with the Administration covering the same percentage of premium costs. This, the Administration notes, is not normative in the university sector, and is not a benefit available to other employee groups at the University.

[43] As for its own health benefits proposal, the Administration submits these changes will result in a reduction to the significant and growing stop loss reinsurance payments that are required for these benefits, resulting in a cost savings of $200,000. The Administration also notes that the proposed cap on private duty nursing is reasonable given it is presently exceeded by only individual, who will ultimately not be impacted because they will be grand-parented. It also submits that placing a limit on the period of travel coverage is consistent with its purpose, as it was never intended to provide ongoing coverage for those who choose to live outside Ontario for an extended period.

[44] The Administration submits that, unless it achieves cost-savings from its health benefit proposals, there is no basis to make any change to the Child Care Benefit Plan. The Administration notes that only very recently, in November 2025, the parties agreed to change eligibility from under age 7 to under age 10. In addition to arguing that there is no need for another change so soon, the Administration submits this already is greater than the maximum age of eligibility at many other universities. Furthermore, the Administration submits that this change was made knowing that this would impact the total benefit payable to each member. The Administration also submits that the cost of this proposal, of $1 million is significant, and not warranted on the basis of the total compensation principle.

ANALYSIS

[45] As noted above the task at hand is to arrive at an outcome that "reflect[s] the agreement the parties would have reached if they had been able to agree": see MOA, Article 6(16).

[46] The principles to consider in carrying out this task, given these parties' particular history; the Agreement under which they bargain; and their own arbitral jurisprudence, have been addressed by Arbitrator Gedalof in his various decisions. Given the thoughtful and thorough manner in which he did so, I simply note that I agree with and adopt his comments in paragraph 19 through 22 of *Gedalof 2025* as to the guiding principles that apply:

> 19. The primary guiding principle in interest arbitration is the principle of replication. This is to say that in fashioning an award, interest arbitrators seek to replicate the outcome that these parties would most likely have reached had they been able to do so in free collective bargaining. This principle is enshrined in Article 6(16) of the Memorandum of Agreement, which provides that the Dispute Resolution Panel, or in this case the arbitrator, "shall attempt to reflect the agreement the parties would have reached if they had been able to agree." Central to the replication exercise is the principle of comparability, discussed further below. Also important are the related principles of gradualism and demonstrated need. In the real world of collective bargaining, breakthrough amendments to critical and freely bargained provisions in the parties' agreement are rare, particularly in a mature bargaining relationship. Such changes may be hard fought and often come at a cost. Interest arbitrators are therefore loath to award such changes absent a compelling demonstrated need.
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> 20. Another important guiding principle is the principle of total compensation, i.e., that one must consider the cost of the bargain as a whole, rather than viewing individual compensation proposals, whether they increase or decrease cost, in isolation. This principle is reflected in Article 6(19) of the MOA.
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> 21. In seeking to replicate a freely bargained outcome, it is critical to maintain front of mind that this is not a subjective exercise driven by the parties' aspirations, strongly held though they may be. Former Chief Justice Winkler, in his 2006 award between these parties in *Governing Council of the University of Toronto and UTFA,* 2006 CanLII 93321 (ONLA), 2006 CarswellOnt 11578 (the "*Winkler 2006 Award*"), summarized the correct approach as follows (at para. 17):
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> > [17] There is a single coherent approach suggested by these authorities which may be stated as follows. The replication principle requires the panel to fashion an adjudicative replication of the bargain that the parties would have struck had free collective bargaining continued. The positions of the parties are relevant to frame the issues and to provide the bargaining matrix. However, it must be remembered that it is the parties' refusal to yield from their respective positions that necessitates third party intervention.

> Accordingly, the panel must resort to objective criteria, in preference to the subjective self-imposed limitations of the parties, in formulating an award. In other words, to adjudicatively replicate a likely "bargained" result, the panel must have regard to the market forces and economic realities that would have ultimately driven the parties to a bargain.
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> 22. Closely related the principle of replication is the principle of comparability. This is to say that interest arbitrators will look to how similarly situated parties settled their agreements, as an objective indicator of what these parties would most likely have done had they been able to reach their own agreement. As Arbitrator Goodfellow put it in his oft-quoted award in *Bridgepoint Hospital,* 2011 CanLII 76737 (ONLA), "comparability puts the flesh on the bones of replication, providing the surest guide as to what the parties would likely have done, in all the circumstances, had the collective agreement been freely bargained" (at para. 4). While the principle is easy to articulate, however, identifying which comparators are most relevant, the relative weight to assign to each in the balance, and determining the import of those comparators in light of the other factors and the parties' unique circumstances, is frequently controversial. Interest arbitrators have often cautioned that replication does not equal duplication, a caution that is apt in this case. There are sectors and bargaining relationships in which pattern bargaining is the norm and comparator outcomes can be definitive, but the university sector, and the bargaining relationship between the Association and the University, are not among them.
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> 23. It should also be recognized that parties frequently seek to "cherry pick" their comparators, or at least the emphasis they place on a given comparator, based on their desired outcome on a given issue in a given round of interest arbitration. A review of the positions taken by these parties across multiple rounds of interest arbitration reveals that they are not immune to this phenomenon. Nonetheless, as I found in my *2023 Award,* citing Justice Winkler, I continue to find that "settlements amongst universities in Ontario and nationally 'whose aims and objectives with respect to the combination of education and research most closely resemble those of the University' (i.e. the U15) warrant particular consideration" (para. 25). The parties' joint commitment to maintaining the University of Toronto as "top of market", discussed further below, reinforces the relevance of these comparators. ….The University's settlements with its other bargaining agents are also relevant, although as discussed further below there is no historical pattern of faculty bargaining following other groups on campus.

[47] In sum, the objective of replication is achieved by considering comparators and economic factors, including inflation. In addition, the parties share a mutual regard for the University's status as a leader that is at the "top of market". There is no dispute between the parties about this. As usual, the dispute is about exactly how that should be applied in the context of the current round.

Salary

[48] In terms of a general wage increase, and having carefully considered all of the parties' submissions, I find that an ATB of 3% is appropriate in all the circumstances.

[49] I find that this increase is appropriate because it serves the dual purpose of accounting for "prior year" inflation, which is historically a particularly significant consideration for these parties in arriving at ATB increases, and keeping the University at "top of market".

[50] In coming to this conclusion, I have given careful consideration to the University's comparators. The University of Toronto's comparators are other universities in Ontario and in Canada with similar "aims and objectives with respect to the combination of education and research": see *Winkler, supra* at para 25. Arbitrator Gedalof concluded in all three of his decisions that means the U15 universities, and I agree.

[51] Of the U15 universities that have determined their salary increases for 2026, the ATBs range from 2% to 3%, with a mode of 3. While some of them include some targeted adjustments or an additional amount if inflation is higher, 3% is normative and I find it to be appropriate in the circumstances.

[52] In considering the salary increases achieved at other U15 universities, I do not accept the Administration's argument that UBC should be excluded as a comparator. UBC is one of the U15 universities. The fact that it is located in another province and therefore subject to a different statutory scheme, one that significantly impacts its bargaining outcomes, is not a recent development. The legislation that the Administration points to as constituting a basis to distinguish UBC was introduced in the 1990s, well before Chief Justice Winkler noted that similar universities across Canada, not just in Ontario, constituted the appropriate comparators for the University of Toronto. Moreover, the Administration's argument misses the very purpose of identifying comparators in a manner that is consistent with the parties' mutual objective of maintaining the University's "top of market" status. Regardless of how UBC arrives at its bargaining outcomes, it is still one of Canada's leading Canadian research universities. As such, the working conditions of its faculty and librarians must be considered when attempting to maintain the University of Toronto's position in the "market". After all, it will be those working conditions that will impact the University's ability to maintain the high quality of its faculty and librarians. I find that UBC is amongst the group of appropriate comparators.

[53] In fact, UBC is particularly relevant because at present the salaries at UBC are the closest of all the U15 universities to the salaries at the University of Toronto. As the Association noted, the 2025 salary increase awarded by Arbitrator Gedalof was explicitly intended to restore the University to the top of market after salaries at the University had been surpassed by UBC in 2024. At the time, it was not definitively known what UBC's increase for 2025 would be. There is now a tentative agreement for UBC that covers 2026, and, as there is no reason to expect that it will not be ratified, it should be duly considered for the purposes of the present case. Having considered the salaries at UBC, as well as those at the other U15 salaries, I note that a 3% increase maintains the University's top position.

[54] With respect to internal comparators, I find, as Arbitrator Gedalof did, that they are of relevance in that they provide further context of the bargaining landscape, and indicate that there is no basis for a non-normative salary increase that exceeds the external comparators.

[55] As for the Association's argument that the ATB should account for "catch up", the quantum of the appropriate salary increase exceeds the CPI, on either party's calculation. It therefore will have the effect of narrowing any gap that may exist between historical CPI and salary increases.

[56] Lastly, with respect to the University's financial situation, I note there is no "inability to pay" argument. Much of the University's arguments focus on the costs associated with prior years' compensation. While the University has limited expectations with respect to revenue growth in the upcoming year, the budget for the upcoming year, prepared before the recent government announcements which can only improve the University's finances, projects a net income that supports the increase that I am awarding here.

[57] With respect to the Association's proposal to distribute 1% of the ATB on a flat rate basis to each member, I am of the view this proposal must be dismissed. The Association's proposal must be considered with regard to the particular structure of this workplace, a structure that contemplates a disparity in salary between members. The members hold different roles that reflect their respective duties and responsibilities and come with different compensation. Furthermore, starting salaries are individually-negotiated, subject only to a salary floor negotiated collectively by the Association. The significance of the distinction in members' roles is further underscored by the fact there are three separate PTR funds, with participation in each fund based on an individual's role. PTR funds in one

group are not distributed to individuals who hold roles falling in another group. This is all to say that a disparity in salaries is not necessarily evidence of an inequity. Given this structure, I am not persuaded the Association has established a compelling basis to award this proposal.

[58] I turn now to the issues with respect to how the ATB should apply.

[59] In my view, stating that it should apply "on all components of salary at large" is too broad a statement and invites dispute. I find that the parties' practice of specifying its application is preferred, and there is no persuasive basis to vary from their practice with respect to which items it applies.

[60] Another aspect of the Association's salary proposal that is in dispute is the application of the ATB increase to "stipends for UTFA Academic Administrative roles". There is no evidence that this has ever been done before. In the absence of any compelling reason to vary from the parties' practice, I decline to award this proposal.

[61] Similarly, the Association's proposal to link any increase to the minimum overload course stipend to "the current CUPE" rates is dismissed. No connection between the two has been established.

[62] Lastly there is the issue of whether the ATB increase, which is effective July 1, 2026, should apply if that is the date of the faculty member or librarian's date of hire/appointment. This issue has been directly and thoroughly addressed by Arbitrator Gedalof in *Gedalof 2026* and I am in full agreement with his reasoning in that award. I find it should apply in the same manner as he did.

PTR

[63] PTR has existed since 1973 and it has never been linked to a specific percentage of salary. As noted by Chief Justice Winkler when a similar proposal was dismissed by him in 2006, a change of this nature would have a continuing impact thereafter with respect to subsequent ATB increases. Arbitrator Gedalof also noted, when he dismissed a similar proposal in 2025, that this was a change to funding in perpetuity. In my view, the Association's proposal does seek a fundamental change to PTR, and as such there must be a compelling basis to grant it.

[64] I observe that the Association made the same arguments, about "anomaly adjustments" and UBC's 2.5% pool, to Arbitrator Gedalof in 2025. Like him, I am not persuaded that the existence of those factors is a basis to grant the Association's PTR proposal at this time, bearing in mind all of the relevant principles, including total compensation.

Benefits

[65] Assessing whether any particular benefit warrants improvement is part of the replication exercise. It is not uncommon for some benefit improvement to exist alongside wage increases in each round, keeping in mind total compensation. Of course, total compensation means that comparability cannot be assessed by looking at any benefit alone.

[66] Having considered the relevant factors that inform the replication exercise, including comparability, total compensation, and the impact of inflation, and bearing in mind when a particular benefit has last been increased, I find that some modest improvements to hearing care (to $2000 per ear) and vision (to $775) are warranted.

[67] I also find that some increase to the Child Care Benefit Plan, which has not been changed for almost twenty years, is warranted. An increase of $250,000 is consistent with the principle of gradualism as well as total compensation. I find no further amendment to the age of eligibility is warranted, given that this was recently increased by the parties themselves.

[68] As for the Administration's proposal to amend certain benefits, while the interests underlying them are certainly understandable, I find the evidence before me fell short of establishing a compelling basis to grant them at the present time, and for that I reason I decline to do so.

AWARD

[69] I award the following:

a. Wages: Effective July 1, 2026, a 3% ATB increase to be applied to base salary, salary floors; PTR increments and breakpoints; and per course/overload stipends.

b. Benefits

i) Hearing care to be increased to $2000 for one left hearing aide and $2000 for one right hearing aid, up to $4000 every 36 months

ii) Vision to be increased to $775 every 24 months

iii) The Child Care Benefit Plan to be increased to $1,250,000.

[70] For clarity, the ATB is to be applied to members hired on July 1, 2026 in a manner that is consistent with *Gedalof 2026*.

[71] All other proposals are dismissed.

[72] I remain seized to deal with any issues relating to implementation.

DATED THIS 22nd DAY OF JUNE, 2026.

"*Jasbir Parmar*"

JASBIR PARMAR, Sole Arbitrator