

## Administrative Procedure 412

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### LOCAL AUTHORITIES PENSION PLAN (LAPP)

#### Background

*Alberta's Minister of Finance (MoF) is the legal trustee and administrator of the LAPP. The Alberta Local Authorities Pension Plan Corporation (LAPPC) is responsible for strategic guidance and Board support. This Administrative Procedure shall meet all provisions set forth by the LAPP determined by the MoF and LAPPC, and also those of Golden Hills School Board No.75 (GHSD). If anything in this Administrative Procedure conflicts with the governing legislation, the legislation will apply.*

This administrative procedure is not intended to be inclusive of all LAPP provisions; for Plan details members should visit the Member section at [www.lapp.ca](http://www.lapp.ca) or contact LAPPC Member Services Centre.

#### Eligibility

Eligible staff shall participate in the LAPP; eligibility will be applied fairly and in accordance with pension legislation.

1. All nonteaching staff who are regularly scheduled to work 14 hours or more per week are eligible to participate in the LAPP with the exception of:
  - a. School bus drivers who are scheduled to work less than 30 hours per week
  - b. Nonteaching staff who are substitute or casual
  - c. Retirees
2. Teachers contribute to the Alberta Teacher's Retirement Fund (ATRF), with the exception of substitute and retired teachers, as defined by the ATRF regulations. Teachers (ATRF members) are not eligible to participate in the LAPP.
3. For eligible staff, participation in the LAPP is mandatory.
4. The date of participation in the LAPP shall be the same date the staff member meets the eligibility criteria; unless this is delayed for up to one year during the probationary period.

#### The Pension Plan

The Local Authorities Pension Plan (LAPP) is a defined benefit pension plan. An LAPP pension at retirement will be based on a member's:

- Length of pensionable service; and
- Highest five-year average pensionable salary.

The Plan is financed based on member and employer contributions and by investment earnings. A member's contributions are based on a percentage of his/her salary and are made through payroll deductions; the employer's contributions are one percent more than the member contribution.

**Pensionable Service**

Pensionable service (PS) is defined as the years of service during which you contribute to this pension plan, plus any such service recognized from a transfer or purchase of optional service. Minimum and maximum pensionable service may apply.

Pensionable service shall be earned according to the following arrangements:

| <b>POSITION / CLASS</b>   | <b>Pensionable Service Earned in one Calendar Year (based on Full-time Employment)</b> | <b>Full-Time Employment Hours per Week</b> |
|---|--|--|
| CUPE STAFF  | 0.8333 (10 mos pensionable service)  | 30 - 37.5 hrs/week as scheduled            |
| EDUCATIONAL ASSISTANTS  | 0.8333 (10 mos pensionable service)  | 32.50 - 40 hrs/week as scheduled           |
| CARETAKERS  | 1 year   | 36.25 – 40 hours / week as scheduled       |
| MAINTENANCE   | 1 year   |  |
| BUS SHOP  | 1 year   |  |
| ALL OTHER CLASSIFIED STAFF  | 1 year   |  |
| <i>* Part-time staff will have Pensionable Service Earned pro-rated based on the part-time equivalency.</i> |  |  |

**Working Year (Fiscal year of Plan)**

The working year shall be defined as the calendar year.

1. Leave without Salary

LAPP members, who take an approved leave without salary, may add that period of leave to their PS either by making pension contributions while on leave without salary, or upon return from that leave.

2. Leave with Partial Salary

LAPP members, who take an approved leave with partial pensionable salary, are still required to make pension contributions.

**Salary Procedure**

1. Pensionable salary is defined as the basic pay for the performance of regular duties; this shall include approved Acting Pay.
2. Where a member is:
  - receiving benefits from an approved long-term disability income plan,
  - receiving temporary Workers' Compensation disability payments,
  - on Leave without Salary, or
  - on Leave with Partial Salary,

the salary being earned immediately before the member commenced to receive those benefits or go on that leave is used to calculate contributions; this may be subject to any adjustments applicable to the class of employees the member was in.

3. The following are not pensionable items (not eligible for pension contribution): Shift Differential, Bonus or pay for merit, Variable Pay, any Holiday and Vacation Pay, Expense allowance payments, Overtime pay or payment for working weekends, Payments offered under ASEBP unemployment benefit plans (top-up payments while on maternity, parental or compassionate care leave).

### **Income Tax Treatment**

Member contributions to LAPP are tax deductible; pension contributions and pension adjustment (PA) are reported on your T4 slip. Your PA is by the Federal Government used to determine the maximum you can contribute to your RRSP.

### **LAPP Plan Information**

Members should visit [www.lapp.ca](http://www.lapp.ca) or contact LAPPC Member Services Centre for further plan details. LAPP Member Handbook is available at [www.lapp.ca/members/publications/LAPP\\_Member\\_Handbook.pdf](http://www.lapp.ca/members/publications/LAPP_Member_Handbook.pdf)

### **Employer Compliance**

The Plan requires that an independent auditor or accountant conduct a compliance review at a minimum of once every three years. During this process the auditor or accountant examines the employer's records, policies and procedures relevant to pension processes to confirm the accuracy and integrity of the data submitted and processes followed.