



DATE: August 24, 2022
TO: Board of Trustees
FROM: Shawna Warren, Superintendent
ORIGINATOR: Lisa Lacroix, Associate Superintendent, Human Resources
GOVERNANCE POLICY: [AP 440 - Local Authorities Pension Plan](#)
ADDITIONAL REFERENCE: [Policy 415 - Local Authorities Pension Plan](#)
Alberta Pensions Service – CICA Handbook S.5815

SUBJECT: Administrative Procedure 440 – Local Authorities Pension Plan

PURPOSE:

For information.

BACKGROUND:

Administration has amended *Administrative Procedure 440 – Local Authorities Pension Plan* as advised by the external auditor in June 2022. *AP440 – Local Authorities Pension Plan* must include the new sections 12.1 and 13 to ensure compliance with the Local Authorities Pension Plan Guidelines which state that Full-time equivalent (FTE) unit(s) must be listed in the organization’s guidelines.

Administration is prepared to respond to questions at the August 24, 2022, Public Board meeting.

ATTACHMENT(S):

1. Administrative Procedure 440 – Local Authorities Pension Plan – Changes Accepted
2. Administrative Procedure 440 – Local Authorities Pension Plan – Tracked Changes



PURPOSE

The Board provides pension benefits to non-teaching employees in the Local Authorities Pension Plan.

PROCESS

- The Superintendent assigns the administration of this employee benefit to Human Resources and Payroll departments.
- This employee benefit plan shall be administered in accordance with the Plan Guidelines provided by Alberta Pensions Services. The following Guidelines comply with APS requirements.

PROCEDURE

1. Membership

- 1.1 All continuous employees under the age of 71.
- 1.2 Continuous means there is no foreseen end date to employment.
- 1.3 Part time employees who work more than 15 hours a week, once eligible and enrolled in LAPP, will continue to contribute.
- 1.4 GEC employees who are scheduled to work 30 or more hours on average per week are eligible to participate in the plan.
- 1.5 CUPE employees who are scheduled to work 27.5 or more hours on average per week are eligible to participate in the plan.
- 1.6 Non-unionized, term contract employees in a leadership or senior leadership role may be eligible if specified in their contract of employment

2. Other Conditions

- 2.1 A normal working year, is no longer than a calendar year and is otherwise determined by the employer's written policy.
- 2.2 Probationary period for CUPE employees cannot exceed three

References: *Policy: 415 Local Authorities Pension Plan*
Alberta Pensions Services Corp., CICA Handbook, S.5815



months following commencement of employment. If the CUPE member has any prior service with the employer, this service must be applied against the three-month probation period. LAPP commences immediately for GEC employees.

- 2.3 If the member changes LAPP employers with no break in service and contributed to LAPP with the first employer, the new employer cannot require a probationary period.
- 2.4 If an employee applies to transfer service into the Plan under a reciprocal transfer agreement, the employer cannot require a probationary period.
- 2.5 Employer participation policies must comply with pension legislation.
- 2.6 A collective agreement does not constitute an employer pension policy: a separate, written pension policy must be developed and enforced and staff should be made aware of it. In the event that the employer policy conflicts with current legislation, the legislation will prevail.

3. Excluded from Membership

- 3.1 All employees who are scheduled to work fewer than 15 hours per week or 780 hours in a normal work year.
- 3.2 All employees 71 years of age and older.
- 3.3 All employees currently receiving a monthly pension from LAPP.

4. Re-employment Rules for Pensioners

- 4.1 LAPP pensioners may recommence work for a LAPP employer and their pension will not be suspended no matter when the work commences or how long the work continues.
- 4.2 Pensioners will continue to receive their pensions even if re-employed by their previous employer. They cannot re-join LAPP to earn additional pensionable service.

References: *Policy: 415 Local Authorities Pension Plan*
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Responsible Administrator: Associate Superintendent Human Resources

- 4.3 Any non-LAPP pensioner employed by a LAPP employer is subject to the current LAPP pension eligibility rules.
- 4.4 Before commencing a pension, a plan member must terminate his or her employment with his or her employer plan or move to a position that does not require participation.
5. Pensionable Salary
 - 5.1 Pensionable salary represents the salary from which pension contributions are determined and can be defined as the member's gross basic pay for performing the regular duties of their employment.
 - 5.2 The following types of pay are examples of non-pensionable pay:
 - 5.2.1 holiday and vacation pay paid in a lump sum
 - 5.2.2 expense allowance payments
 - 5.2.3 overtime payments
 - 5.2.4 pay for merit (individual achievement) that is *not* part of a variable pay program
 - 5.2.5 productivity payments or awards (bonuses) that are *not* part of a variable pay program
 - 5.2.6 payment supplementary to employment insurance benefit plans (top-up), and
 - 5.2.7 special remuneration
6. Lump sum remuneration, whether variable or constant in amount from year to year and is paid as part of the employer's variable pay program whose terms are contained in a written policy agreement.
7. Retroactive Salary Changes can increase a member's contributions and pension benefits. Contributions are to be withheld from retroactive salary paid to all members, even if they have already left the Plan. See *LAPP*

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Pension e-guide - 'Calculating Contributions' for the correct reporting procedures.

8. Leaves of Absence

8.1 Leave without Salary (LWOS)

8.1.1 Depending on employer policy, members may continue paying contributions while on LWOS (contributory) or to defer payment until the leave ends (non- contributory).

8.1.2 Members must make a written commitment to the employer to purchase a non- contributory leave by April 30 following the year in which the leave ended. If the member terminated employment, the commitment must be made within 30 days of ending employment with appropriate documentation maintained on the member's file.

8.2 Leave with Partial Salary (LWPS)

8.2.1 Once an employee has reached 36 months of continuous employment contributions are mandatory and are based on 100% of the salary the member would have earned, including class increases, had they not been on leave.

8.2.2 For employees who have not reached 36 months of continuous employment, purchase of service is optional.

8.2.3 These full-time equivalent earnings, contributions and service will be included in the annual pension details.

9. Long -Term Disability Insurance Continuance Plan

9.1 Extended Disability Benefits are reported at year end and the employee has the option to purchase this 'back service'.

10. Workers' Compensation

10.1 Pension service credits and contributions continue and are based on 100% of the salary the member would have earned had they not been injured.

10.2 Once a worker is granted permanent Workers' Compensation

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disability benefits (i.e. a pension), they cease to be a participant unless the employer allows the individual to go on leave. This leave is subject to normal leave limits.

11. Deferred Salary Leave Plan

- 11.1 Contributions continue while a member is deferring part of his/her salary under a salary deferral plan, based on 100% of the pre-deferral salary.
- 11.2 Annual detail reported to APS reflects 100% of pre-deferred pensionable salary, member and employer contributions, and pensionable service.
- 11.3 The period when the member is receiving the deferred salary payments is considered to be a Leave without Salary (LWOS).
- 11.4 The member may purchase this period of leave with employer authorization by either making contributions during the leave period (contributory leave) based on 100% of pre-deferral salary or after returning from the leave (non-contributory leave).
- 11.5 This procedure assumes there are no employer payments made toward this benefit.

12. Contributions

- 12.1 Employers submit to APS both member and employer contributions.

13. Base Unit Calculation

- 13.1 The base unit is reported by dividing the actual units worked by the base unit. The base unit is also used to determine whether a member is reported as full-time or part-time at year-end or on termination.
- 13.2 Pensionable service is not to exceed 1.0 FTE each year.
- 13.3 Employees eligible to contribute to LAPP and work variable positions over a one-year period will include both positions averaged over the year and shall not exceed 1.0 FTE total pensionable service.

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Responsible Administrator: Associate Superintendent Human Resources

<i>Support Staff</i>	<i>Days per year</i>	<i>Hours per week</i>	<i>Base hours per month</i>	<i>10 Month Employees</i>	<i>12 Month employees</i>
	215	35.0	150.5	1505.00	1806.00
	215	37.5	161.3	1612.50	1935.00
	222	35.0	141.3	1412.70	1695.24
	222	40.0	161.5	1614.50	1937.40
	240	35.0	140.0	1400.00	1680.00
	260	35.0	151.7	1516.70	1820.04
	260	40.0	161.5	1615.00	1938.00
	260	40.0	173.3	1733.30	2079.96
	188	32.5	122.2	1222.20	
	188	35.0	131.6	1316.00	
	188	37.5	141.0	1410.00	
	188	40.0	150.4	1504.00	
	200	32.5	130.0	1300.00	
	200	35.0	140.0	1400.00	
	200	37.5	150.0	1500.00	
	200	40.0	160.0	1600.00	
	210	40.0	168.0	1680.00	
<i>Base Days per Month</i>					
<i>Admin Staff</i>				21.67	260.04



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Date: January 13, 2021

Responsible Administrator: Associate Superintendent ~~People Services~~Human Resources

PURPOSE

The Board provides pension benefits to non-teaching employees in the Local Authorities Pension Plan.

PROCESS

- The Superintendent/~~GEO~~ assigns the administration of this employee benefit to ~~People Services~~Human Resources and Payroll departments.
- This employee benefit plan shall be administered in accordance with the Plan Guidelines provided by Alberta Pensions Services. The following Guidelines comply with APS requirements.

PROCEDURE

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