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Policy Title: Local Authorities Pension Plan (LAPP) Employer Pension Policy	Date: November 12, 2020	Resolution No. RC20-458

Policy Purpose:

Policy purpose is to establish standards for administration of the Local Authorities Pension Plan (LAPP). In the event that this policy conflicts with current legislation, the legislation will prevail.

Policy Statement & Guidelines:

The Local Authorities Pension Plan (LAPP) is a defined benefit pension plan, which means that eligible employees will receive a pension based on their pensionable salary and years of pensionable service. The Plan is financed by employee and employer contributions and by earnings on investments.

Participation Section:

Contributions to the Plan stop after 35 years of service have been accumulated. If the employee continues to work after reaching 35 years of service, the employee’s salary is still reported to LAPP.

If an employee moves from an eligible to ineligible employment category, or vice versa, they must terminate from the Plan or begin participation respectively, as per pension guidelines.

Definitions:

Continuous Basis: means an employment basis where no date or event, if any, fixed by reference to employment, has been set as an end date of employment. Employees working under continuous contracts with no end date/event are considered to be employed on a continuous basis. Employees with a pre-determined date/event that signifies the end of their employment are not considered to be employed on a continuous basis.

Administration

Pension plan benefits are administered through the Local Authorities Pension Plan (LAPP) in accordance with their policies.

Base Units

For the purpose of reporting service to the administration of Local Authorities Pension Plan, the hourly method will be used for all wage and salaried employees.

Contributions

Pension contributions are non-tax deductible.

Contribution rates for employees and employers are determined by the LAPP Sponsor Board.

Employee Participation and Probationary Periods

1. **Mandatory Participation** – All employees working 30 or more regularly-scheduled hours per week on a continuous basis must participate in LAPP.



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2. **Eligible/Required to Participate based on Employer Policy**

The following employee classes are enrolled according to employer policy:

- a) Employees employed under defined term contracts who work 30 or more regularly-scheduled hours per week. Plan participation is mandatory upon becoming eligible.
- b) Employees employed on a continuous basis or defined term contracts who work 14 or more but less than 30 regularly-scheduled hours per week. Plan participation is mandatory upon becoming eligible.
- c) The maximum probationary period will be one year. This probationary period may be purchased by the employee as per the Plan guidelines.
- d) If the employee is already enrolled in the plan in a different position or with a different employer, this employee must be enrolled in the plan immediately. The probationary period may be waived if specified in individual employment contracts.

3. **Ineligible to Participate**

Employees that are not eligible to participate:

- a) Employees age 71 or older.
- b) Employees receiving a monthly LAPP pension based on previous participation in the Plan.
- c) Employees that are seasonal or part-time may not participate in the plan.
- d) Employees who work less than 14 hours per week.

Salary Not Pensionable

As per the Local Authorities Pension Plan, holiday and vacation pay paid in a lump sum, expense allowance payments, overtime payments, on call & call out pay, productivity payments or awards/bonuses are all salaries that are not pensionable.

Leave Without Salary

All approved Leave Without Salary will be costed as per LAPP requirements.

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Pensionable Salary in LAPP

Type of Pay		Included in pensionable salary
a.	Acting Pay	Yes
b.	Merit Adjustment	Yes
c.	Regular Pay	Yes
d.	Retroactive Pay	Yes
e.	Vacation Pay – Paid time off while employed	Yes
f.	On Call and Call out Pay	No
g.	Overtime Pay	No
h.	Severance Pay	No
i.	Vacation Pay – Paid as a Lump Sum	No

Original to be signed by

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Reeve

Adopted by Council: RC20-458	Date: November 12, 2020
Updated:	