

The pension plan

The Local Authorities Pension Plan (LAPP) is a defined benefit pension plan. This means your pension at retirement will be based on:

- your length of pensionable service; and
- your highest five-year average pensionable salary.

This type of pension plan:

- helps you prepare for your retirement because you can estimate your future pension income;
- provides you with a specified lifetime income upon retirement, regardless of market conditions and how long you live; and
- is funded by member and employer contributions and by investment earnings.

Who is eligible to join?

- If you're a full-time continuous employee (regularly scheduled hours of at least 30 hours per week), you automatically become a member of the Plan as soon as you start your employment, unless your employer delays your entry into the Plan for up to one year during a probationary period.
- If you're employed on a full-time basis for a predetermined period, you may participate if your employer has a policy to enrol you.
- If you're employed on a part-time (regularly scheduled hours of at least 14 hours per week) basis, you may participate depending on your employer's policy.
- For employees working at least 30 regularly scheduled hours per week on a continuous basis, participation is mandatory. To determine if this criteria is met, an employer must include all regularly scheduled hours in all continuous positions with that employer.
- For all other employees working at least 14 regularly scheduled hours per week, participation is by employer policy. To determine eligibility under the policy, an employer must include all regularly scheduled hours in all positions with that employer.

LAPP benefit

You need a minimum of two years of LAPP pensionable service to qualify for a pension at retirement. The maximum pensionable service you can accumulate is 35 years.

If you are at least 65 years old when you leave the Plan, you are entitled to receive an immediate pension even if you don't have two years of LAPP pensionable service.

When you retire, LAPP will pay a benefit to you based on your

highest average salary, length of pensionable service and a legislated benefit accrual rate. The legislated benefit rate is:

- 1.4 per cent on your average highest pensionable salary up to the average YMPE*, multiplied by your years of pensionable service; and
- 2 per cent on your average highest pensionable salary over the average YMPE up to the maximum allowed under the federal *Income Tax Act*, multiplied by your years of pensionable service.

If you are working as a LAPP retiree, you will continue to receive your pension from LAPP. However, if you work for a LAPP employer, you will not be permitted to make further contributions to LAPP. If you work for an employer under another pension plan, you may be required to contribute to their plan.

Every year, LAPP also provides cost-of-living adjustments to pensions in pay, at a rate of 60 per cent of the increase in the *Alberta Consumer Price Index*. This feature is a significant benefit of LAPP.

** The Year's Maximum Pensionable Earnings (YMPE) is the maximum amount of earnings on which you can contribute to the Canada Pension Plan, as determined by the federal government. LAPP uses the YMPE to determine contribution rates, plan benefits, and the cost of service. The 2012 YMPE is \$50,100.*

Increasing your LAPP benefit

You may be able to add to your future LAPP pension by increasing your length of pensionable service through the following methods:

- Transfer service from another pension plan to LAPP if a transfer agreement exists that will allow you to do so.
- Buy optional service. Examples of this may include:
 - previous employment with your current employer;
 - previous employment with another employer who participates in LAPP; or
 - contributory service under another pension plan, in some circumstances.
- Contribute to the Plan when you are on, or return from, a leave without salary.

Contribution rates

Employee contributions to LAPP are tax deductible. Current contribution rates on pensionable salary are as follows:

Members	8.91% up to YMPE	12.74% over YMPE
Employers	9.91% up to YMPE	13.74% over YMPE

Please note: You may make contributions to the Plan on your pensionable salary up to the maximum amount allowed under the federal *Income Tax Act*. This maximum amount is known as the salary cap.

Leaving the Plan

If you choose to leave the Plan before retirement, you will have various benefit options available to you. Your options will depend on your age and your length of pensionable service. You can read more about termination options at www.lapp.ca.

Disability

You may be eligible for a disability pension if you are incapable of performing the regular duties of your employment. Contact your employer for more details.

Services provided to members

LAPP members are entitled to information on plan investment performance, pension account activity, and benefit options. Members receive publications such as member newsletters and annual statements summarizing pension contributions and service.

Once you are a member, you may sign up to use **mypensionplan**. Through this online service, you can view personal information on length of service, salary, contributions, and beneficiaries. You can also calculate pension estimates using your actual pension account information. You can update your contact information and beneficiary information, and sign up to go green to receive e-mail notifications when your Member Annual Statement and other publications are available online.

For detailed information about LAPP, visit www.lapp.ca.

Contact Information

Contact your employer or the Member Services Centre for answers to any questions you might have about LAPP.

LAPP's Member Services Centre:

Phone: 1-877-649-LAPP (5277)

E-mail: memberservices@lapp.ca

Website: www.lapp.ca

This summary provides general information about the major provisions of LAPP. Please contact your employer or the Member Services Centre for more detailed information on any of the topics covered. If anything in this summary conflicts with the governing legislation, the legislation will apply.