



**LOCAL AUTHORITIES PENSION PLAN  
BOARD OF TRUSTEES**

MINUTES of the meeting of the Local Authorities Pension Plan Board of Trustees meeting held on November 14, 2014 in the Local Authorities Pension Plan Board Room, Suite 1202, 10250 – 101<sup>st</sup> Street, Edmonton.


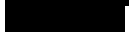
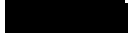
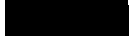
**Present:**

D. Aldous  
T. Agoto  
C. Good  
G. Howell  
N. Ketler  
D. Sieben  
Liz Thompson  
G. Walker  
R. West  
J. Whaley

**Absent:**

K. Balkwill  
D. Sander

**Staff/Board Advisors (Present at the request of the Board):**

, Interim CEO and Vice President, Investments  
, Vice-President, Pension Policy and Funding  
, Vice-President, Stakeholder Relations  
, Board Secretary

The Chair, T. Agoto declared the meeting to be regularly called and properly constituted for the transaction of business at 11:30am.

**1. APPROVAL OF AGENDA**

**MOTION L14:11:01** That the agenda be approved.

**Carried 10-0**

**2. APPROVAL OF MINUTES**

**MOTION L14:11:02** That the minutes of October 17, 2014 be approved.

**Carried 10-0**



### 3. BUSINESS

#### 3.1 Next Generation Plan Rule Changes - Transfers

The Board reviewed the recommendations from the Board of Directors.

**MOTION L14:11:03** That the Board of Trustees recommend to the Minister that the LAPP Regulation be amended **to codify the following existing administrative practices** in relation to reciprocal transfers and special portability transfers where LAPP is the exporting plan:

- a) The actuarial liability amount (available under a special portability transfer) and the commuted value amount (available under a reciprocal transfer) be calculated without backing-out prior service purchased on an actuarial reserve basis and/or leave service in respect of which a member has paid the employer share of contributions.
- b) The determination of the maximum amount that can be transferred, as well as any transfer excess that may be payable to a member, considers the normal termination benefit to which the member would otherwise be entitled rather than a commuted value with excess contributions.

**Carried 10-0**

Trustee Agoto, Trustee Walker, Trustee Aldous, Trustee Good, Trustee Howell, Trustee Ketler, Trustee Sieben. Trustee Thompson, Trustee West and Trustee Whaley recorded for the motion.

**MOTION L14:11:04** That the Board of Trustees recommend to the Minister that the LAPP Regulation be amended to provide that, in relation to reciprocal transfers and special portability transfers where LAPP is the exporting plan, any applicable transfer excess amounts be paid to the member in the form of a taxable cash refund.

**Carried 8-2**

Trustee Agoto, Trustee Walker, Trustee Aldous, Trustee Good, Trustee Howell, Trustee Sieben. Trustee Thompson and Trustee Whaley recorded for the motion.

Trustee Ketler and Trustee West recorded against the motion

**MOTION L14:11:05** That the Board of Trustees recommend to the Minister that the LAPP Regulation be amended **to codify the following existing administrative practices** in relation to reciprocal transfers and special portability transfers where LAPP is the importing plan:

- a) The purchase of periods of transfer shortfall service follows the existing methodology described in the LAPP Regulation for purchasing periods of prior service on an actuarial reserve basis.



- b) The treatment of periods of transfer shortfall service once purchased under LAPP match the treatment of purchased periods of prior service.

**Carried 10-0**

Trustee Agoto, Trustee Walker, Trustee Aldous, Trustee Good, Trustee Howell, Trustee Ketler, Trustee Sieben. Trustee Thompson, Trustee West and Trustee Whaley recorded for the motion.

**MOTION L14:11:06** That the Board of Trustees support proposals submitted by Alberta Pensions Services Corporation (APS) for changes in relation to the Internal Transfer Agreement and associated provisions in the Legislative Provisions Regulation relating to:

- a) the calculation of the transfer amount for the purposes of determining the amount to be transferred where LAPP is the exporting plan and the accrual of interest;
- b) the submission of a transfer application; and
- c) rules pertaining to portability transfers to the extent that recommendations for amendments to the LAPP Regulation have been agreed-to under the above motions; and

That the Board postpone its review of APS' proposals for changes in relation to the Internal Transfer Agreement and associated provisions in the Legislative Provisions Regulation relating to:

- a) the payment of transfer excess where LAPP is the exporting plan; and
- b) the treatment of service once credited where LAPP is the importing plan,

pending further analysis of plan provisions and related assumptions used in the pricing of plan benefits under all established transfer agreements; and

That the Board of Trustees:

- a) communicate to APS these recommendations for amendments to the LAPP Regulation and support for specific changes to the Internal Transfer Agreement and associated provisions in the Legislative Provisions Regulation in order that coding of the Next Generation system can be finalized as it relates to these particular items;
- b) advise APS that the Board has postponed its review of APS' other proposals for changes in relation to the Internal Transfer Agreement and associated provisions in the Legislative Provisions Regulation pending further analysis of plan provisions and related assumptions used in the pricing of plan benefits under all established transfer agreements; and
- c) provide a formal recommendation to the Minister following its consideration of all possible plan rule amendments as part of the APS Next Generation Plan Rule Changes Review.

**Carried 10-0**

### 3.2 Next Generation Plan Rule Changes - Postponed Pension

The Board reviewed the recommendations from the Board of Directors.

**MOTION L14:11:07** That the Board of Trustees recommend to the Minister that the LAPP Regulation be amended to remove the lump sum payment alternative available to postponed members and instead allow such members to backdate the pension commencement of their pension to the earliest date on which they would have been able to commence to receive an unreduced pension benefit, and that any such backdating shall be done at the discretion of the Minister (or delegate) subject to any restrictions set out by the Canada Revenue Agency.

**Carried 10-0**

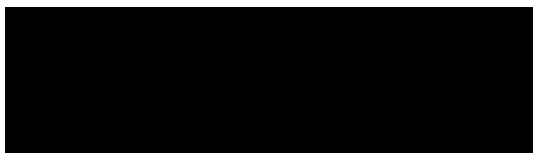
Trustee Agoto, Trustee Walker, Trustee Aldous, Trustee Good, Trustee Howell, Trustee Ketler, Trustee Sieben. Trustee Thompson, Trustee West and Trustee Whaley recorded for the motion.

**MOTION L14:11:08** That the Board of Trustees:

- a) communicate to APS this recommendation for amendments to the LAPP Regulation in order that coding of the Next Generation system can be finalized as it relates to this particular item; and
- b) provide a formal recommendation to the Minister following its consideration of all possible plan rule amendments as part of the APS Next Generation Plan Rule Changes Review.

**Carried 10-0**

The Board Chair declared the meeting adjourned at 11:35am. (10 members present).



Chair ✓  
November 14, 2014



Board Secretary