

1.3 New Employer Participation Rule

EFFECTIVE DATE AND REVISION DATES

June 5, 2019; November 27, 2020; December 12, 2023; November 14, 2024

1.3.1 PURPOSE

Under the *Joint Governance of Public Sector Pensions Plans Act* (Alberta), the LAPP Sponsor Board (**Sponsor Board**) may make rules in respect of the admission of new participating employers in the Local Authorities Pension Plan (**LAPP** or **Plan**) and, where no rules have been made that are applicable to a particular application for admission, the Sponsor Board is responsible for approving or denying an application.

This policy establishes guidelines for the types of employers the Sponsor Board will consider for admission and the processes for assessing applications by potential participating employers.

1.3.2 Application of Policy

This policy applies to all new applications made on or after November 15, 2024, by employers for participation in LAPP. This policy does not affect the participation of employers admitted to LAPP prior to November 15, 2024.

1.3.3 Guidelines For Participation

Any employer interested in becoming a new participating employer in the Plan may submit an application, available from the [LAPP website](#), to the Sponsor Board through LAPP Corporation; employers from public, private, charitable, and other sectors may apply to join LAPP. All applications will be assessed in accordance with the process outlined below.

1.3.4 Application Assessment Process

1.3.4.1 EXPEDITED PROCESS

The LAPP Corporation CEO is authorized by the Sponsor Board, but not required, to review, approve and process employer applications for a prospective employer that is:

- (a) a “local authority” as defined in section 1.3.4.4;
- (b) a public sector entity created or controlled by a local authority;
- (c) a “society” as defined within the *Societies Act* (Alberta);
- (d) an entity that operates on a non-profit basis, where funding equals operating and capital budgets;
- (e) an entity that operates on a for-profit basis, but only where: (i) the organization effectively operates on a non-profit basis, or (ii) the organization is and will remain 100% owned by one or more non-profit entities with 100% of profits being distributed to those non-profit entities; or
- (f) in the opinion of LAPP Corporation, analogous to any of the entities described in sections 1.3.4.1(a) to (e);

and provided that such prospective employer:

- (g) has all its employees employed in Alberta or reporting directly to an office in Alberta and are subject to the *Alberta Employment Pension Plans Act*;
- (h) subject to the eligibility for plan membership provisions of the LAPP plan text, seeks all new and existing employees of the applicant to be covered by LAPP, except that, when requested by a prospective employer, existing employees can make a one-time election to opt out of participating in LAPP provided that the employee was employed by the prospective employer prior to the effective date of such employer joining LAPP;
- (i) has less than five hundred (500) active employees eligible to participate in LAPP; and
- (j) does not require a defined benefit pension plan or supplementary plan merger with LAPP.

1.3.4.2 REPORTING

All applications that qualify for the Expedited Process under section 1.3.4.1 shall be reported to the Sponsor Board at the next regularly scheduled meeting after an application has been accepted.

1.3.4.3 REGULAR PROCESS

When a prospective employer applies to join LAPP and does not meet the guidelines for the Expedited Process described in section 1.3.4.1, then LAPP Corporation will prepare a report and recommendation on the prospective employer's application for consideration by the Sponsor Board.

1.3.4.4 DEFINITIONS

For the purposes of this policy a "local authority" shall mean any of the following bodies or the legal entities that comprise or operate the following units, as the case may be, namely,

- (a) a local government body, that is:
 - (i) a municipality within the meaning of the *Municipal Government Act*,
 - (ii) a regional services commission, intermunicipal service agency, municipal planning commission or intermunicipal planning commission under the *Municipal Government Act*,
 - (iii) a board of trustees under the *Drainage Districts Act*,
 - (iv) the board of directors of a district within the meaning of the *Irrigation Districts Act*,
 - (v) a body continued or established as a municipal library board, intermunicipal library board, library system board or federation board by or under the *Libraries Act*,
 - (vi) the Rural Municipalities of Alberta, or
 - (vii) the Association of Alberta Municipalities,
 - (b) an educational body, that is:
 - (i) an undergraduate university within the meaning of the *Post-secondary Learning Act*,
 - (ii) a comprehensive community college within the meaning of the *Post-secondary Learning Act*,
 - (iii) a polytechnic institution within the meaning of the *Post-secondary Learning Act*,
 - (iv) a board within the meaning of the *Education Act*,
 - (v) a charter school within the meaning of the *Education Act*, or
 - (vi) the Alberta School Boards Association,
- or
- (c) a health care body, that is:
 - (i) the board of an approved hospital within the meaning of the *Hospitals Act*,

- (ii) a provincial health board established under the *Regional Health Authorities Act*, or
- (iii) a regional health authority under the *Regional Health Authorities Act*.