



### Top up your retirement income knowledge

*The three legs of the retirement stool*

Page 2

# Member Newsletter

## In this Issue

---

**Great news from the 2024 member survey!**

*Learn what members had to say about their LAPP Pension Plan*

Page 2

---

**LAPP retiree feature:  
Susan Kormos**

*Driving towards a pension with LAPP*

Page 5

---

**Register now: new webinars**

*Learn more about your Plan with our new live webinars*

Page 7

---



**Your LAPP investments:  
real estate — a  
piece of the pie**

*How LAPP is investing*

Page 7

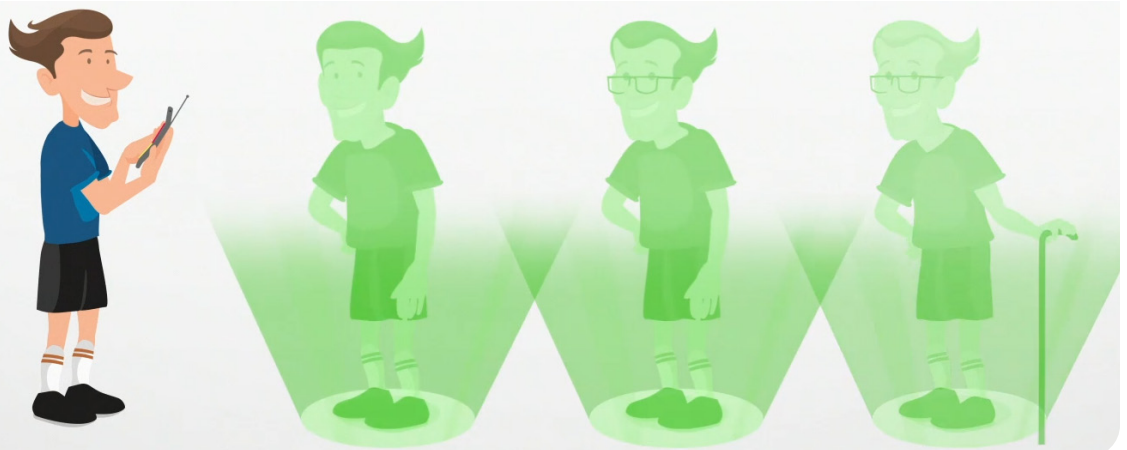
### Your LAPP Library

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### Video highlights

*Watch this video about the six ways your LAPP defined benefit pension has value*

**Watch Now!**



# What Members Are Saying



ACCESSIBLE KNOWLEDGE  
SMART  
HELPING  
TRUSTWORTHY  
I FIND REAL VALUE IN IT  
IMPORTANT TO ME  
PERSONAL CONNECTION  
SUPER IMPORTANT  
GOOD  
**GREAT,  
WONDERFUL,  
PEACE OF MIND,  
STABILITY**



## Your Pension is Secure

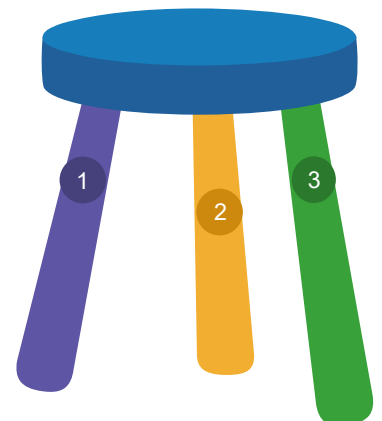
# Top up your retirement income knowledge: the three legs of the retirement stool

Whether you are a brand-new LAPP member or are starting to think about retirement, it's important to know how different sources of income will provide stability throughout your retirement.

Your LAPP pension will likely account for a large portion of your retirement income, but there are other sources of income to keep in mind when planning what your retired life might look like financially. When thinking about these sources of retirement income, think about a three-legged stool. The three legs are designed to keep the stool, and your retirement income, stable.

## The three legs are:

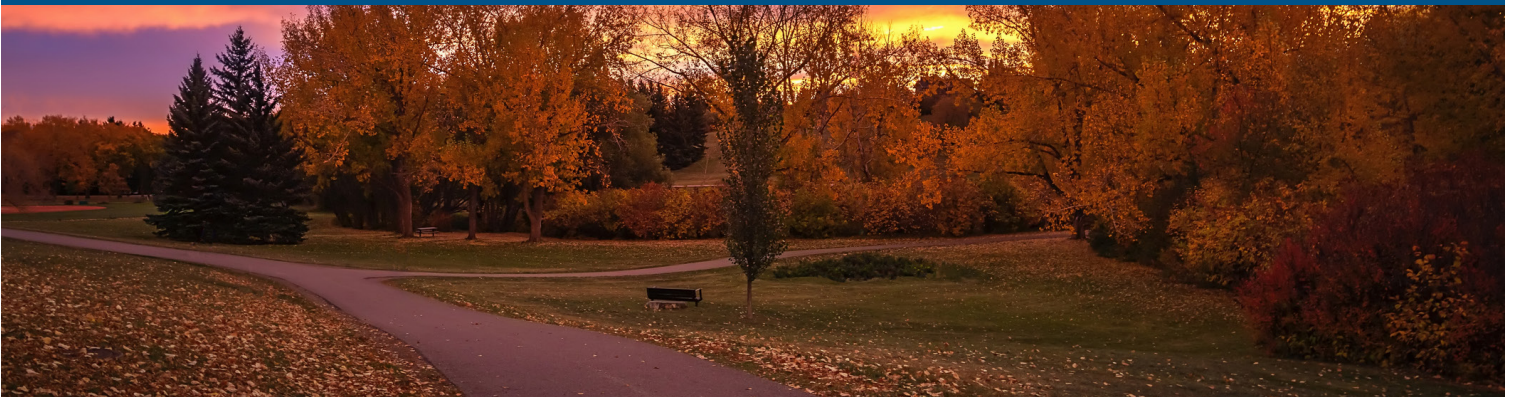
- 1 Employer pension plans, such as your LAPP pension;
- 2 Government pensions, such as the Canada Pension Plan (CPP) and Old Age Security (OAS) benefits; and
- 3 Personal savings, such as Tax-Free Savings Accounts (TFSA), Registered Retirement Savings Plans (RRSPs), and other investments and savings.



## Great news from our 2024 member survey!

81% of active members and 92% of retirees say their LAPP Pension Plan is very important to them.

Thanks to our many members and retirees who took the time to participate in our focus groups and written surveys — your valuable input helps us understand our members better and deliver a Plan that meets your needs.



## 1. Your LAPP pension

As a LAPP member, you can feel secure knowing **you and your employer put money into your defined benefit (DB) pension plan**. You are already preparing for your future. In fact, your employer contributes 1% more than you do.

What does 'defined benefit' mean? It's simple: the amount of money you get monthly in retirement is predictable, secure, and you receive it for the rest of your life once you retire.

### Some other great LAPP benefits:

- Your pension income grows each year to help protect against inflation;
- You can estimate what your pension income will be, thanks to our online **pension estimator** and reliable **pension formula**;
- You can choose when to start your pension, from as early as age 55 or even as late as 71 (the choice is yours); and
- Your pension is **stable and secure**.

## 2. Government pension programs

In addition to your LAPP pension, the Canada Pension Plan (CPP) provides a monthly income for those who have worked or been self-employed in Canada. The monthly income amount is based on your average career earnings, the number of years you contributed to the plan, and your age at retirement.

Canada's Old Age Security (OAS) pension is financed through general tax revenues. Most people qualify for OAS if they've lived in Canada for more than ten years after the age of 18.

If you would like to find more information on how to apply or start receiving payments from CPP and OAS, visit the Government of Canada [website](#).

### 3. Personal savings

Your LAPP and government pensions are financial incomes you can rely on, but you might have additional personal savings you've worked towards that will benefit you at retirement time. Personal savings can look different for everyone. Some common types of savings include:

- General savings accounts through your personal banking;
- TFSAs; and
- RRSPs

Everyone's three-legged retirement stool looks a little different. That's why it's a good idea to review your projections to assess how sturdy your financial situation will be so there are no surprises once you retire. **A LAPP pension is a key support in keeping your retirement income stable and secure.**

In summary, thinking about retirement can be exciting and a little scary, but understanding and planning for your financial security is time well spent. No matter where you are in your career timeline, it's never too early to see how balanced and stable your retirement income stool.

## Welcome to our newest LAPP members!

On September 1, the **Canadian Centre of Recovery Excellence** and the **Alberta Lung Association** both joined LAPP. We want to extend a warm LAPP welcome to all of our new members. You are part of an amazing plan that offers a lifetime of benefits.





Your Life with LAPP

## LAPP retiree feature: Susan Kormos — driving towards a pension with LAPP

The path that would eventually lead to Susan Kormos' LAPP pension was slightly rocky when she first began. She was about to turn 50 when she began her first position that allowed her to earn both a wage and a pension.

Susan started her new job out of necessity, as her long marriage had just ended, and she needed to become independent — quickly. But she soon came to love both the job and the knowledge that she was participating in a solid plan that would provide a pension down the road.

"Those early years are a bit of a blur," said Susan, who is now 66 years old. "I had been working at various jobs through the years, mostly as a hairdresser, which I really enjoyed, but none of the roles came with a pension. Back then my focus was on trying to maintain things for my sons," said Susan.

"I was 49 years old and needed to learn fast how to stand on my own two feet. I needed benefits and I needed to begin working towards a pension. I saw an ad that Calgary Transit was hiring new drivers, and I sort of summoned all my courage and applied. I have always loved driving, so this really drew my interest. I started driving a shuttle with Transit in early January 2008. All these years later, I feel that getting that job at the time

**"I was 49 years old and needed to learn fast how to stand on my own two feet. I needed benefits and I needed to begin working towards a pension."**

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I did was the best decision I ever made. Transit was the only pension I had, and working there made all the difference.”

“I trusted that my LAPP pension was being well managed, so I didn’t spend a lot of time analyzing the information as it came in. I would look it over, and I could see it was doing well. LAPP provided frequent and consistent data on my pension earnings over the years, in a way that was easy to understand. I could see there was solid growth in the numbers and that the pension was well funded. It added so much to my sense of security and wellbeing to know my pension was growing behind the scenes and would be waiting for me when I was ready to retire.”

Susan retired in January 2021. “It was a good run with Calgary Transit and the City of Calgary. When I retired, they said they were lucky to have had me and the feeling was mutual. I felt good about my work. I also learned so much about myself in that role.”

“There are so many memories of things that happened on my bus,” said Susan. “I would find people’s phones on the bus, or other passengers would find wallets and bring them up to me. There

are many good, honest people riding the bus in Calgary! Now that I’m retired, having had work that earned me a pension has made all the difference.”

Something else that has made a significant difference for Susan was meeting her new partner, Phil, ten years ago. “Even though I met someone who makes all aspects of my life better, I know I would have been okay by myself on my LAPP pension. I would have lived frugally, but I would have been independent and that was my goal all those years ago when I began with Transit,” said Susan.

**Article written by Sandy Bexon**

**Life in Retirement** | *A light-hearted look into aging out of your career into retirement*

*The information provided in this newsletter article is for general informational purposes only. It does not constitute legal, financial, or professional advice. Individuals should consult with a qualified financial professional before making any financial decisions.*



## New feature! LAPP lingo

*In each edition of the LAPP newsletter, we want to help explain some pension terms that might not be familiar to most people*

### Defined Benefit (DB) Pension Plan:

Your LAPP pension is a defined benefit pension plan. A DB plan like LAPP provides you with a set (defined) pension for your lifetime once you retire. You'll be able to predict what your future pension will be and it will be consistent throughout your retirement. The math used to figure out your pension payment includes your salary and years of service. Curious what your pension income will be? [Try out our Pension Estimator.](#)

Your Plan is in Good Hands

## Your LAPP investments: real estate — a piece of the pie

Real estate is in the news headlines a lot these days — from articles about the cost of housing in Canada's biggest cities, to opinions on the future of office space as more Canadians work from home.



The Edmonton Tower, located in the city's Ice District, is one of the assets in AIMCo clients' real estate portfolios.

For institutional investors like AIMCo — the asset manager for your LAPP pension — real estate encompasses different sectors including industrial, residential, retail, and office.

In 2023, 13% of LAPP's portfolio was invested in real estate, primarily in Canada. LAPP believes that real estate is an important part of a diversified portfolio because it offers the opportunity for appreciation (the value of buildings and land may increase) and a durable source of income that offers inflation protection. In addition, real estate holdings are not strongly correlated to public markets, so volatility in the stock market does not tend to affect the value of real estate assets.

**In 2023, 13% of LAPP's portfolio was invested in real estate, primarily in Canada.**

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### Register now: learn more about your pension!

Changing jobs? Retiring soon? Wondering if there are ways you can increase the amount of service you have in LAPP?

Learn more about your Pension Plan with our new live webinars.

Visit [lapp.ca/webinar](https://lapp.ca/webinar) to view the topics and register for these easy-to-understand online learning opportunities about your Plan. Sessions are free.

### Video highlight

#### Got a few minutes?

Watch this video about **Your Pension Journey**. Take a quick tour of the LAPP website to learn where you can find everything you will need to know about your pension no matter where you are in your journey.

**Watch now!**



But like any investment, real estate is subject to fluctuations driven by a multitude of factors. The Canadian office sector has been affected by changing work patterns, such as increased work-from-home. As a result, tenants are being very selective about where they choose to rent their office space. On the latest episode of AIMCo's podcast, *ABSOLUTE RETURNS*, the CEO of one of Canada's leading private equity real estate firms, Jon Love, shared his thoughts on the sector:

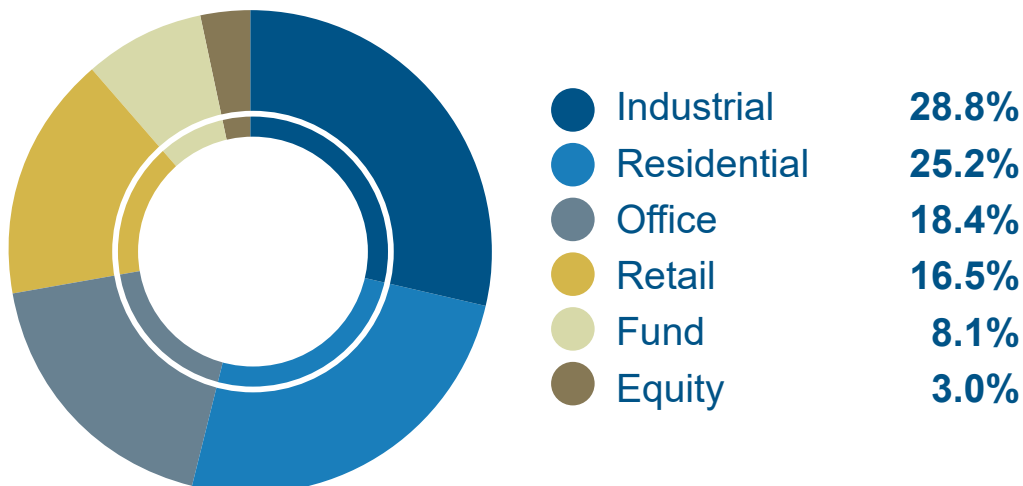
"What (tenants) want is (buildings) that are super urban, on transit routes, with amenities including everything from zero carbon strategies to other things that make their buildings more competitive and more compelling."

In other words, top-tier buildings are maintaining tenants and earning solid rental income. For real estate investors, returns are currently a result of how well buildings are being managed and leased, rather than a result of the number and size of transactions that are being completed.

These kinds of market changes are best managed by maintaining a long-term approach, in which gains and strategies are evaluated over a period of five or ten years, not one or two years. Large scale investors are able to maintain such an approach.

Currently, the largest sectors of AIMCo's real estate portfolio are: industrial (28.8%), followed by residential (25.2%), office (18.4%), and then retail (16.5%). The real estate team at AIMCo — working on behalf of LAPP and all its clients — is always looking for sectors that appear ready for future growth. This includes data centres, life sciences research office buildings, and alternative housing such as single family homes.

[Click here](#) to learn more about AIMCo's real estate portfolio and its approach to investing.



Your Life with LAPP

## Unchanged Contribution Rates for 2025

The LAPP Sponsor Board is pleased to announce that contribution rates for 2025 will remain unchanged.

Members will continue to contribute 7.45% on pensionable salary up to the 2025 Year's Maximum Pensionable Earnings (YMPE)\*.

The contribution rate will also remain unchanged at 10.65% on pensionable pay over the 2025 YMPE. Employers will continue to match employee contributions and pay an extra 1%.

The Sponsor Board's decision supports contribution rate stability and the long-term sustainability of LAPP, both of which are of upmost importance to LAPP members and

employers. Since 2017, the Sponsor Board has reduced total contribution rates by 6.75% of pensionable pay, which has been equally shared between LAPP members and employers.

For more detailed information about the 2025 contribution rates, please visit our website at [Contributions - Local Authorities Pension Plan \(lapp.ca\)](https://lapp.ca).

For over 60 years, LAPP has proudly provided Albertans with stable and secure pensions. With more than 313,500 members and assets exceeding \$67.3 billion, LAPP is one of Canada's leading pension plans and a model for success in today's complex pension landscape.

\*YMPE is a figure set each year by the Canadian government that specifies the earnings amount that can be used in calculating contributions to the Canada Pension Plan (CPP), and can be used in calculating contributions to registered pension plans, such as LAPP, for each year.

## Contact Us

### Questions about your pension?

Please contact our Member Services Centre:

**Secure Messages:** Log in to [Your Pension Profile](#) and send us your questions directly by selecting Secure Messages.

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

Connect with us! LAPP is on [LinkedIn](#).

