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Carley Binder
Library Manager
Blackfalds Public Library



Message from LAPP Corporation CEO

On behalf of LAPP Corporation, it is my pleasure to bring season's greetings to you and your family and wish you good health and prosperity in 2020. As we start a new year and a new decade it is meaningful to take stock of where we

are and consider our prospects for the future.

We are very fortunate that LAPP is a strong, healthy pension plan with a great outlook for the future. It is my pleasure to report to our many members that even after reducing contribution rates for two years running, the Plan remains fully funded and continues to offer the same great retirement benefits as always.

The past year has brought a lot of changes for LAPP, some expected and some unexpected and I wanted to bring you up to date on what has been happening. Our membership grew by 2.7% over the previous year and we paid pensions to 68,741 retirees.

We began 2019 with great expectations because legislation was passed in 2018 to recognize LAPP as a jointly-sponsored pension plan, beginning March 1, 2019. This development finally put LAPP on the same footing as other large public sector plans across Canada, allowing LAPP to gain independence from government and shifting decision-making authority to the members and employers who pay into the Plan.

In a matter of a few quick months, much work was done by Plan sponsors, board members and corporation staff to pave the way for the many important changes scheduled for LAPP's Independence Day. A new corporation was formed with a board of directors to govern it. A sponsor board was appointed by the sponsor organizations named in legislation to officially represent the members and employers of the Plan.

The Sponsor Board has since approved the Plan text for LAPP, and the Boards are working together on a three-year strategic plan for the years 2020-2022.

It was an exciting time for the Plan because it took 25 years of persistent effort by LAPP sponsors to get decision-making authority for the Plan. Prior to March 1, 2019, the sitting finance minister was the administrator and trustee of the Plan, and had to agree to make any changes to pension benefits and Plan rules.

The unexpected changes came toward the end of this year when the new provincial government introduced reforms

to the newly determined governance structure. The reforms do not include any changes to retirement benefits, as we communicated to members throughout the legislative process. Neither has government announced to us any intention to make any further changes to LAPP or LAPP retirement benefits.

A significant change is the government's decision to take away LAPP's ability to choose its own investment manager and pension benefit administrator after a five year transition period. LAPP has now been legislated to use Alberta Investment Management Corporation (AIMCo) and Alberta Pensions Services Corporation (APS) permanently, with no ability to replace them if circumstances warrant.

LAPP has always used AIMCo and APS, and our expectation had been that we would work with them over the next five years towards the goal of ensuring they would be our provider of choice. However, under the new rules our role is limited to monitoring whether their results are in line with our needs and expectations.

Other changes include the government having the authority to once again approve appointments to the LAPP Corporation Board. A decision was also made to change the sponsors named in legislation, eliminating one of two AUPE seats at both board tables and replacing it with a management and out of scope employee representative.

LAPP Corporation was reclassified as a government agency and made subject to legislation that covers crown corporations, boards and agencies of government. However, LAPP Corporation is still the trustee and administrator of the Plan and the basic governance structure set up March 1, 2019 still applies.

Despite the changes in governance, what matters most for members is that retirement benefits are still the same and LAPP remains strong and well-situated to be sustainable for many, many years to come. With a robust risk management strategy and professionals managing all facets of the operation, LAPP will continue to provide for the needs of members and retirees well into the future.

We look forward to the beginning of a new decade and wish the very best to all of our members. We continue to work diligently on your behalf and I can proudly say, we are Always a LAPP Ahead!

Chris Brown
President and CEO
LAPP Corporation

Lights, Camera, Action! Check out our videos at LAPP.ca

Whether you are new to LAPP or whether you have been a member for many years, there is something new for you at **LAPP.ca**

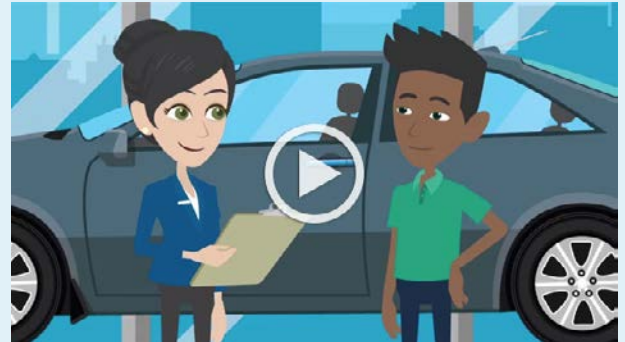
We are continually adding features to our re-designed website that will be helpful to you at every stage of your career, whether you are close to retirement, just getting started or somewhere in the middle. Be sure to go online to **LAPP.ca** and have a look.

There are videos that will explain your defined benefit pension and help you to understand how it works. Your pension promises great value in your retirement and great peace of mind while working toward it. You owe it to yourself to get started on your retirement planning early.

There are useful tools like the updated member handbook and handy retirement checklists. Online tools will help you calculate your future LAPP pension and there are links to other websites where you can read about your entitlement to federal pension benefits.

We are working on developing more Fast Track videos, designed to explain your pension options and help you to understand other aspects of your pension. You will find simple explanations throughout **LAPP.ca** and information relevant to you at your stage of your career are found in the Your Life With LAPP section.

It's all fun, easy to understand and laced with a little humour throughout. Visit **LAPP.ca** and meet Ben E. Fit and make the most of your pension today!



LAPP Facts



18,509

Average number of
UNIQUE LAPP WEBSITE USERS /mth



75,368

Average number of
LAPP WEBSITE PAGE VIEWS /mth

2.7%

**INCREASE IN LAPP
MEMBERSHIP**
over 2017

45.6

**AVERAGE AGE
OF ALL ACTIVE
MEMBERS**

9

**AVERAGE YEARS
OF PENSIONABLE
SERVICE**
of all active members

71.8

AVERAGE AGE
of all LAPP retirees

\$18,725

**AVERAGE
YEARLY LAPP
PENSION PAID**

These statistics are updated each year as part of the actuarial valuation done by the Plan. The last valuation was done in 2019 for the year ending December 31, 2018.



Important info about your pension plan inside!

Even though pensions may not seem exciting, it's important to learn about LAPP and how your pension works, no matter where you are in your career.

Looking for more information?

Check out the LAPP website at www.lapp.ca. Everything you need to know, and more, is there! Your LAPP pension is a valuable asset and you owe it to yourself to ensure you are **Always a LAPP Ahead!**

LAPP Corporation is committed to providing members with easy-to-understand pension information on a regular basis. If you have thoughts on how this newsletter or other communications can be improved, please send an email to news@lapp.ca.

Contact Us

For information about your personal pension details, please contact us at:

1-877-649-5277

www.lapp.ca