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2024 contribution rate reduction

The LAPP Sponsor Board is pleased to announce a decrease for members and employers to all contributions paid on pensionable earnings above the Year's Maximum Pensionable Earnings (YMPE). This adjustment brings contribution rates into alignment with how LAPP benefits accrue.

What does that mean for you in 2024?

Any amount of salary that you earn over \$68,500 a year will see a decrease in your contribution rate from 11.23% (2023) to 10.65% (2024).

In fact, our contribution rate has decreased in five of

the last seven years. This has resulted in a cumulation of more than \$3.2 billion in savings for members and employers.

The Plan continues to remain in a healthy financial position due to strong integrated risk management oversight. Market uncertainty may paint a different picture for the future, and the Board will continue to take a prudent approach to setting contribution rates to minimize the likelihood of possible increases.

If you'd like more information, all the details can be found at lapp.ca/contributions.

New pension option now available

For members retiring on or after January 1, 2024, a new pension option is available if you're married or in a spouse-like relationship.

Proposed by a LAPP member through our **Plan Rule Amendment Process** page, the new option is called

the "Joint Lifetime Reduced by 1/3 on Member's Death Only and Guaranteed 5 Years."

To learn more about this new option and how it compares with the existing joint lifetime options, find all the details on the lapp.ca/pensionoptions page.



Top summer survey member priorities regarding the new study (available at lapp.ca/advocacy):

- Maintaining standard of living
- Remaining financially independent
- Being able to pay for unexpected expenditures
- Having to monitor investments throughout retirement
- Purchasing power of savings reduced by inflation rates
- Running out of investment savings during retirement

One-time 100% Cost-of-Living (COLA) enhancement

To help our retiree and deferred members keep pace with inflation, LAPP is pleased to announce that a one-time enhancement was applied to the 2024 Cost-of-Living Adjustment (COLA).

The enhancement increased COLA from 60 to 100 percent of the increase in the Alberta Consumer Price Index (Alberta CPI).

This is the first time that such an enhancement has been granted, and is possible due to the strong financial health of LAPP.

The 2024 COLA increased monthly pensions currently being paid, as well as deferred pensions, by 3.90%.

Retirees and members with a deferred pension received the full COLA enhancement if their LAPP

pension commenced prior to 2023 or if they ceased active membership prior to 2023.

As set out in the Plan text, COLA is applied each January 1 to LAPP pensions-in-pay and based on 60 percent of the increase in the Alberta CPI. LAPP calculates the increase in the Alberta CPI by taking the ratio of the average increase over the twelve-month period ending October 31 of the prior year to the average increase over the corresponding twelve-month period immediately preceding that period.

Please note that COLA granted on or after January 1, 2025, will be calculated based on 60% of the increase in the Alberta CPI — unless the Sponsor Board amends the Plan Text or grants another COLA enhancement.

The importance of buybacks

Whether you've taken a few days of unpaid leave with your current employer, worked for a LAPP employer but were not a member of the Plan at the time, or wish to purchase several years of prior service, buybacks can increase the value of your LAPP retirement income.

But why should you consider buying back service?

The benefits are substantial. By increasing your LAPP service, you not only increase the amount of your future pension but may also find yourself eligible for an earlier retirement with an unreduced pension. The impact on your pension is tangible, and you can visualize the difference by using the *Pension Estimator* at lapp.ca/pensionestimator.

We will send you your buyback opportunity once your employer lets us know about any unpaid leave or after you apply to purchase prior service. Make your

buyback election and select your payment option online through *Your Pension Profile* or through a *Buyback Election* form — which can be submitted via mail, fax, or through secure messaging.

The available payment options include (in any combination) installments through employer payroll deductions, lump sums by personal cheques or bank drafts, and RRSP or LIRA transfers.

Questions about the dates or cost of your leave?

The sooner you complete your buyback, the lower the cost will usually be. If you're currently on leave, you also have the option to buy back service now or wait until your leave ends.

For further details, visit lapp.ca/buyingservice or contact the Member Services Centre by secure messaging through *Your Pension Profile* or by phone at 1-877-649-LAPP (5277).

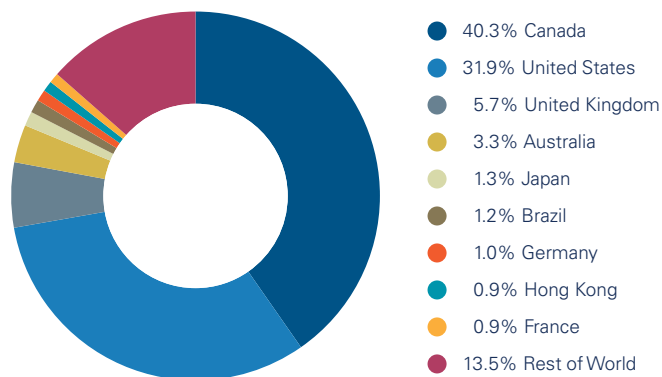
Your LAPP Fund investments with AIMCo

Among the most important elements to the long-term sustainability and security of your LAPP retirement income is effective investment management. Alberta Investment Management Corporation (AIMCo) invests the assets of your LAPP pension.

While AIMCO manages the day-to-day activities around the more than \$60 billion of your LAPP Fund investments, it's important to note that AIMCo and LAPP share a collaborative relationship. Each has distinct duties, with LAPP responsible for developing the mix of assets that best suits the needs of the Plan — ensuring the funds are there for your retirement.

By complying with LAPP Corporation's *Statement of Investment Policies and Procedures (SIPP)*, as determined by the LAPP Board of Directors, AIMCo is then entrusted to invest the Fund's assets according to LAPP policy.

Market value

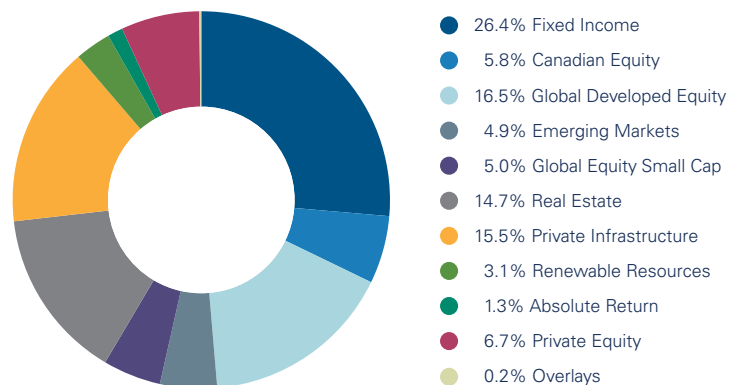


Over the years, the assets of the Plan have grown and your LAPP portfolio now holds a globally diverse mix of investments in a range of asset classes, from traditional stocks and bonds to real assets like infrastructure and real estate.

Drive across the province, and it's very likely that you will pass by a building, a windfarm, or even a railroad that is owned by you through your pension plan.

AIMCo is one of Canada's largest investment managers, with a team of experienced institutional investors (possessing deep sector and geographical knowledge) who are focused on producing consistently strong long-term returns on behalf of LAPP and our members.

Asset class



Each team member at AIMCo is also deeply committed to fulfilling the organization's purpose: to secure the financial future for all members of LAPP.

Effective investment management ensures the long-term sustainability of the Plan and is also one factor that has enabled LAPP to reduce contributions for members in recent years. A well-developed investment policy with thoughtful investment management can ensure that LAPP remains a well-funded pension plan with a diverse mix of investments and low costs to ensure our members always remain a lap ahead.



93.8%
OF SURVEY RESPONDENTS
WILL RETURN TO THE WEBSITE

Top liked website features:

- Accessing personal pension details
- Using the pension calculators as needed
- Relevant and understandable information

Top website requests:

- Improved search functions
- Simpler/cleaner log-in process
- Information/education webinars

Congratulations to our survey contest winners



Albert “Dick” Pirie is the winner of the Apple iPad Air. Dick and Dianne, as he and his “pension partner for life” prefer to be known, are enjoying their post-careers snowbirding — and the fruits of hard-earned monthly retirement income — down in

Arizona, as can be seen in this recent photo.

Albert retired from the Calgary Board of Education in 2007, where he was a 14.5-year member of LAPP. There was lucky timing with the win as his current iPad was close to finishing its years of service.

Albert’s name was drawn from the submissions providing feedback about the new report, *The Pensions Canadians Want: Perceptions of Retirement (2016–2022)* — which can always be found on the research webpage at lapp.ca/advocacy.

He agreed with the findings and ranked having a retirement income that keeps pace with inflation as

one of his top priorities. For that reason, he was also interested to learn about the one-time 100% Cost-of-Living (COLA) enhancement highlighted in this newsletter.



Hazelyn Domingo is the winner of the Series 9 Aluminum Apple Watch. An employee with LAPP’s largest employer (Alberta Health Services) for over ten years, Hazelyn’s name was drawn after correctly identifying Ben E. Fit (as the full name of LAPP’s mascot) and providing feedback on how to

improve both the website and *Your Pension Profile* — the member-only secure site accessed through lapp.ca (top right-hand corner login).

Hazelyn answered being very satisfied with instant access to her length of service, salary, and pension contributions, as well as the calculators and tools, but that the log-in process and search function were her main choices for improvement.

Our thanks to everyone who participated in the summer survey. Your valuable responses and feedback help shape the ongoing work, updates, and research we do to support all members. Be sure to check out the website for future contests.



Online Member Toolkits

If you’ve logged into the secure portion of the website called *Your Pension Profile*, you’re already enjoying the ability to keep your information up to date, run pension estimates, and use other self-help tools.

If not, once you become a registered user in the members-only section, you can seamlessly access your private pension information, run calculations, and update your records — all without ever leaving lapp.ca.

The lapp.ca/membertools webpage hosts the *Member Onboarding Kit*, the *Member Retirement Kit*, and the *Changes in Employment* toolkit. These toolkits contain helpful materials including videos, checklists, written instructions, and the relevant forms.

You can also find important links on the page to the *Onboarding Checklist*, the *Retirement Checklist*, the *Buyback Estimator*, and the *Pension Estimator*.

Letter from the President and CEO



With 2023 behind us, we here at LAPP want to thank our over 300,000 active, deferred, and retired members whose dedication to our community helps keep Albertans healthy, safe, and connected. We are proud to work for each and every one of you.

Your plan has value, and our focus is on ensuring you have a secure and reliable monthly pension for the rest of your life when you retire. This is both our mission and our legal responsibility.

I am pleased to report that LAPP has had many successes in 2023, including a 3.1% growth in members (to 301,233) and 10 new employers (to 444). The Plan has also generated over 6.60% so far this year in returns (as of Nov. 30, 2023) on your behalf at a time of considerable market uncertainty and volatility. More importantly, as a pension plan that pays benefits over generations, it's worth noting that LAPP assets have grown from \$26.55 billion to just over \$60 billion in the last ten years.

We're also pleased to announce that the Sponsor Board has approved a one-time enhancement that will be applied to the January 1, 2024, Cost-of-Living Adjustment (COLA).

The enhancement will increase COLA from 60 to 100 percent of the increase in the Alberta Consumer Price Index (CPI). As explained in this newsletter, the one-time enhancement will help you to keep pace with inflation.

Also, for the fifth time in seven years, the Sponsor Board has approved a decrease for employers and members to all contributions paid on pensionable earnings above the Year's Maximum Pensionable Earnings (YMPE). More details can be found on that at lapp.ca.

You've embarked on a lifelong journey with LAPP, and we'll be here to support you through the moments that matter. From starting your career to changing employers, taking a leave, planning for retirement, and caring for your loved ones, you can rely on LAPP to be there with you. That support includes ongoing access to resources and guidance to help you make informed decisions about your pension and your retirement.

On behalf of LAPP, I want to express our gratitude for your continued support and commitment as we journey together to achieve your retirement goals and ensure you're always a LAPP ahead.

Troy Mann
President and CEO
LAPP Corporation

Go Green and keep your information up to date

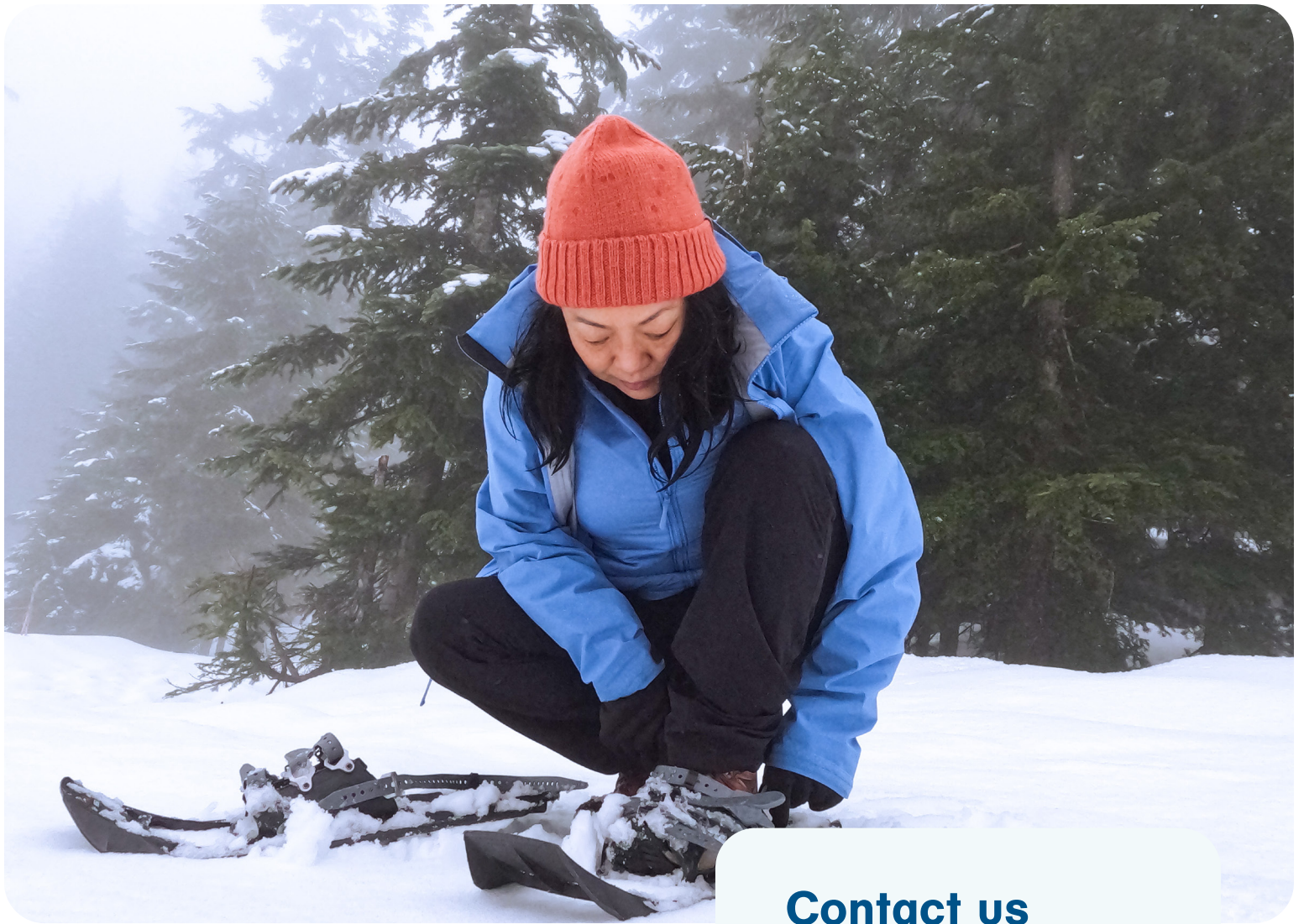
Keeping your personal information up to date enables LAPP to provide you with the timeliest feedback about your retirement income.

To review and change your personal information — and **Go Green** to help the environment and reduce Plan costs — all you need to do is register/log in to *Your Pension Profile* by clicking 'Login' at the top right corner of lapp.ca.

From *Your Pension Profile*, you can:

- Access your annual statements;
- Access your pension plan tax slips;
- Update your banking and deposit information;
- Update your contact information;
- View and update your chosen beneficiary; and
- Submit documents and forms or request information using Secure Messages.

Your Pension is Guaranteed for Life



Keeping up to date

LAPP is able to provide you with the timeliest information about your pension when your contact information, pension beneficiaries, and pension partner status are accurate.

To review and change your personal information, all you need to do is register/log in to *Your Pension Profile*, the secure area of lapp.ca, by clicking 'Login' at the top right corner of the site.

Contact us

For information about your pension, please contact the **Member Services Centre** directly at:

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

Secure Messages:

Accessible from *Your Pension Profile* — just click 'Login' in the top right corner at lapp.ca.

Looking for more information?

Check out the LAPP website at 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're *Always a LAPP Ahead*.

LAPP 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 memberservices@lapp.ca.