



Administration Standard

Title: **Local Authorities Pension Plan (LAPP) Participation**
Effective Date: **2025 July 28**
Responsible Business Unit: **Human Resources**

1. PURPOSE

- 1.1. The LAPP Plan Text requires that each participating employer have, and file with LAPP Corporation, a pension policy regarding discretionary plan provisions in the LAPP Plan Text. This Administration standard is The City of Calgary's pension policy and outlines the administration of The City's decisions regarding discretionary provisions as specified in the LAPP Plan Text and listed in Section 3.2. This Administration standard will be provided to LAPP Corporation each time it is amended.
- 1.2. This Administration standard sets out the administration of certain mandatory plan provisions in the LAPP Plan Text and certain requirements of the Income Tax Act (ITA) which are necessary for Employees and The City to understand in order to properly administer The City's participation in LAPP.

2. APPLICABILITY

- 2.1. This Administration standard applies to all City Employees, except Police Officers, to whom the Administration standard "Special Forces Pension Plan (SFPP) Participation" applies instead.
- 2.2. In the event of a conflict between this Administration standard and the LAPP Plan Text or the ITA, the LAPP Plan Text or the ITA, as applicable, shall govern.

3. STANDARD

- 3.1. Capitalized terms throughout this Administration standard have associated definitions, which are referenced below.
- 3.2. This Administration standard sets out The City's decisions with respect to the discretionary provisions as set out in the LAPP Plan Text, as follows:
 - a. Applicable Contributory Earnings (LAPP Plan Text Section 2.08);
 - b. Pensionable Lump Sum Earnings (LAPP Plan Text Section 2.81(a));
 - c. Pensionable Periodic Earnings (LAPP Plan Text Section 2.82);
 - d. Mandatory enrolment (LAPP Plan Text Section 4.02(a));
 - e. Voluntary enrolment (LAPP Plan Text Section 4.02(b));
 - f. Suspension of participation (LAPP Plan Text Section 4.06(b));
 - g. Definition of full-time hours (required by LAPP Plan Text Section 2.80, but otherwise not reference in a specific section in the LAPP Plan Text); and,

h. Probationary period (required by LAPP Plan Text Section 2.80, in relation to LAPP Plan Text Section 5.01(i)).

3.3. The City's policies in respect of these discretionary provisions are itemized in "3.4 Plan Participation / Membership", "3.5 Pensionable Earnings" and "3.7 Contributions" below.

3.4. Plan Participation / Membership

Eligibility for LAPP is governed by the LAPP Plan Text, The City's decisions on discretionary provisions, and City practice. Sections 3.4(a) through (e) outline The City's decisions on discretionary provisions. Section 3.4(f) outlines certain non-discretionary LAPP requirements, and Section 3.4(g) contains City practices which apply to administering the provisions.

a) Mandatory Enrolment (see Section 3.2(d)):

- i. Permanent Full-Time Employees must participate in the LAPP from the date of appointment as a Permanent Employee.
- ii. Permanent Part-Time Employees must participate in the LAPP from the date of appointment as a Permanent Employee.
- iii. Temporary Full-Time Employees (prior to 2008) are required to participate in the LAPP after 24 months of continuous service, except for the following, who must participate in the LAPP from date of employment with The City:
 - those who, upon employment by The City, undertake to transfer service of any duration with a body with whom the LAPP maintains a reciprocal agreement into the LAPP; and
 - those who, upon employment by The City, have terminated employment with another LAPP employer immediately prior to commencing City employment.
- iv. Temporary Part-Time Employees and On-Call Employees are not eligible to participate in the LAPP.

b) Voluntary Enrolment (see Section 3.2(e)):

- i. Temporary Full-Time Employees:
 - (rule effective 2008 January 1) may opt to participate in the LAPP after 24 months of continuous service.
 - (rule effective 2008 January 1) may opt to participate in the LAPP from date of employment with The City if:
 - upon date of hire with The City, they undertake to transfer service of any duration with a body with whom the LAPP maintains a reciprocal agreement into the LAPP; or
 - upon date of hire with The City, have funds on deposit with the LAPP.
- ii. Seasonal Full-Time Employees:
 - (rule prior to 1992) who were Members as of 1992 January 01 may continue participation in the LAPP in accordance with the policy in place on 1991 December 31.
 - (rule between 1992 January 1 and 2007 December 31) who, prior to 2007 December 31, had been continuously making voluntary payroll contributions

to The City's Group RRSP fund for 60 cumulative months may opt to participate in the LAPP and may opt to continue such participation during each subsequent recall period.

- (rule effective 2008 January 1) may opt to participate in the LAPP after 24 months of Cumulative Service and may opt to continue such participation during each subsequent recall period.
- iii. Employees hired on a contract basis will not be considered Permanent Employees and LAPP participation will be dictated by the terms of their contract.
- c) Suspension of Participation (see Section 3.2(f)):
 - i. A Member who becomes ineligible to participate in the LAPP will be terminated from the LAPP.
 - ii. Seasonal Full-Time Employees who opt to participate in the LAPP must continue to participate until the next lay-off date.
- d) Full-time Hours (see Section 3.2(g)):
 - i. Full-time equivalent hours are defined in the appropriate Collective Bargaining Agreement or policy statement which applies to that Employee.
- e) Probationary Period (see Section 3.2(h)):
 - i. There is no probationary period for Permanent Employees.
 - ii. The probationary period for Temporary Full-Time Employees is 24 months of continuous service but may be waived in accordance with Section 3.4(f)(ii).
 - iii. The probationary period for Seasonal Full-Time Employees is 24 months of Cumulative Service but may be waived in accordance with Section 3.4(f)(iii).
 - iv. The probationary period for Employees hired on a contract basis will be dictated by the terms of their contract.
- f) LAPP Requirements:
 - i. Once an Employee has joined the LAPP, the Member must continue to participate while they remain eligible to do so.
 - ii. The probationary period for Temporary Full-Time Employees is waived when Section 3.4(a)(iii) or Section 3.4(b)(ii) applies.
 - iii. The probationary period for Seasonal Full-Time Employees is waived when Section 3.4(b)(iv) or Section 3.4(b)(v) applies.
- g) City Practice:
 - i. An Employee who becomes eligible to participate in the LAPP during an LOA will be enrolled in the LAPP on the first day of the pay period in which they become eligible to participate.
 - ii. Eligible Temporary Full-Time Employees will be automatically enrolled in the LAPP on their eligibility date unless the Employee signs and returns to The City the waiver form indicating their wish to opt out of participation in the LAPP.

3.5. Pensionable Earnings

The types of earnings which are pensionable are governed by the LAPP Plan Text and The City's decisions on discretionary provisions. The LAPP Plan Text differentiates between earnings which are paid in a lump sum (Section 3.5(a)) and those which are paid on a periodic basis (Section (3.5(b)) as those terms are defined in the LAPP Plan Text. Section 3.5(c) contains required provisions in the LAPP Plan Text.

a) Pensionable Lump Sum Earnings (see Section 3.2(b)):

- i. Service Pay.

b) Pensionable Periodic Earnings (see Section 3.2(c)):

- i. Base Pay;
- ii. IAFF Relief Pay;
- iii. Weekend Premium;
- iv. Shift Differential;
- v. ATU 583 Payment;
- vi. Relief Pay (effective 2012 April 9); and,
- vii. Secondment Pay (effective 2012 April 9).

c) LAPP Requirements:

- i. A Member who is on a Suspension With Pay (also called administrative leave) will have their earnings calculated as if they were Active.
- ii. A Member who is on a Paid Union Leave will have their earnings calculated as if they were Active. Pensionable earnings will be based on the remuneration paid to them by the union, subject to the limit set out in Section 2.82(d) of the LAPP Plan Text.
- iii. A Member who is receiving LTDI benefits will have their earnings calculated as if they were Active.

3.6. Service

The types of service which are pensionable are governed by the LAPP Plan Text and City practice. Section 3.6(a) contains required provisions in the LAPP Plan Text and Section 3.6(b) sets out City practice.

a) LAPP Requirements:

- i. A Member may not be credited with more than 35 years of Pensionable Service.
- ii. A Member who is on a Suspension With Pay (also called administrative leave) will have their Pensionable Service calculated as if they were Active.
- iii. A Member who is on a Paid Union Leave will have their Pensionable Service calculated as if they were Active.
- iv. A Member who is receiving LTDI benefits will have their Pensionable Service calculated as if they were Active.
- v. A Member who is on an LOA is entitled to purchase their Pensionable Service after the leave has been reported to APS, either during year end reporting or at termination of employment.

- vi. A Member who is on strike or Lockout is treated as an LOA.
- vii. A Member who is on a Suspension Without Pay is treated as an LOA.
 - A reinstatement to earnings which are pensionable to replace a Suspension Without Pay would result in pension arrears and the Employee will be contacted by Human Resource Support Services.

b) City Practice:

- i. A Member who is a Permanent Full-Time Employee, Temporary Full-Time Employee or Seasonal Full-Time Employee and active for 364 calendar days in 26 pay-period year (or 378 calendar days in a 27-pay period year) will receive 1.0000 year of Pensionable Service.
- ii. A Member who is a Permanent Full-Time Employee, Temporary Full-Time Employee or Seasonal Full-Time Employee but not active for 364 calendar days in a 26-pay period year (or 378 calendar days in a 27-pay-period year), the active service will be number of calendar days worked divided by 364 days in a 26-pay-period year or 378 days in a 27-pay-period year.
- iii. A Member who is a Permanent Part-Time Employee will have service calculated as the number of hours paid to the Employee in the calendar year reported, divided by number of hours required by a full time equivalent position in the corresponding Collective Bargaining Agreement or policy statement.

3.7. Contributions

When contributions are to be made by Members and The City is governed by the LAPP Plan Text, The City's decisions on discretionary provisions and City practice. Section 3.7(a) outlines The City's decisions on discretionary provisions. Section 3.7(b) contains required provisions in the LAPP Plan Text and Section 3.7(c) sets out City practice.

a) Applicable Contributory Earnings (see Section 3.2(a)):

- i. For the purposes of calculating Member and City contributions, actual biweekly earnings and biweekly YMPE ("Period YMPE" in the LAPP Plan Text) are used.

b) LAPP Requirements:

- i. The City will contribute towards probationary service purchased by the Employee if purchased within five years of becoming a Member.
- ii. The City will not contribute towards service transferred into the LAPP.
- iii. Pension contributions cease when a Member is on an LOA; the LOA will be reported to APS at year end and the Member may opt to elect to purchase the LOA in accordance with the LAPP provisions.
- iv. A Member who is on strike or Lockout is treated as an LOA.
- v. A Member who is on a Suspension Without Pay is treated as an LOA.
- vi. A Member who is on a Suspension With Pay (also called administrative leave) will have contributions calculated as if they were Active.
- vii. A Member who is receiving LTDI benefits will have contributions calculated as if they were Active.

- viii. A Member who is on a Paid Union Leave will have contributions calculated as if they were Active, subject to the earnings limit set out in Section 2.82(d) of the LAPP Plan Text.
 - ix. Except as specifically provided herein for Seasonal Full-Time Employees, where an Employee elects to make contributions to the LAPP for prior service, the entire cost of such prior service will be borne by the Employee.
- c) City Practice:
- i. If a Seasonal Full-Time Employee had been making voluntary payroll contributions to The City's Group RRSP up to 2007 December 31 and, within 12 months of becoming eligible, the Employee both enrolls in the LAPP and applies to purchase prior service with The City, The City will contribute towards the cost of such prior service.
 - ii. With respect to employment rendered after 1991 and before 2008, If a Seasonal Full-Time Employee joins the LAPP and, within 12 months of becoming eligible to join the LAPP, the Employee also applies to purchase prior service with The City, The City will contribute towards the cost of such prior service as follows:
 - The City's contribution will apply only toward full-time seasonal employment rendered after 1991 and before 2008, and during which the Employee had been contributing to the Group RRSP for more than 24 cumulative months.
 - The City's contribution will apply towards a maximum of three years (36 cumulative months) of prior seasonal employment.
 - The City's contribution is conditional on the Member contributing their share by the end of the recall employment period next following the date on which they are first advised of the cost allocation between them and The City.
 - For each year for which The City's contribution applies, The City's share is determined as:
 - The full actuarial reserve cost of the service, as shown on the Notice of Cost; minus
 - The Member's LAPP normal cost, as though the service was current service, using their applicable contributory earnings calculated in accordance with Section 3.7(a), service calculated in accordance with Section 3.6(b), using the YMPE and LAPP current contribution rates at the time of application for optional service.

3.8. Administration

This Section includes other provisions of the LAPP Plan Text, ITA requirements and City practice for reference.

a) LAPP Requirements:

- i. Each Member must provide satisfactory proof of their age to APS upon becoming a Member.

- ii. Each Member who applies for a retirement pension, who applies for service on an actuarial reserve basis (as defined in the LAPP Plan Text), or who applies for a disability pension, and each beneficiary who applies for a death in service pension of a Member, must provide satisfactory proof of the Member's age, pension partner relationship status, the Member's pension partner's age (if applicable), and beneficiary's age (if applicable) to APS when applying for such benefits.
 - iii. A list of eligible proof-of-age documents are listed on the LAPP website; these documents may be uploaded to the Member's profile on the LAPP website.
- b) Income Tax Act Requirements:
- i. Members who have not retired prior to December 30th of the year in which they turn 71 must start their pension on December 31st of that year.
 - Employees do not have to terminate employment with The City.
 - ii. Employees who are in receipt of a LAPP pension may not participate as an active Member.
- c) City Practice:
- i. The City will not contribute towards service during which the Employee was eligible to participate in the LAPP but did not do so.

4. ROLES AND RESPONSIBILITIES

4.1. Employees are responsible for:

- a) Ensuring that their records with LAPP are accurate and correct by reviewing their LAPP annual statement regularly and contacting the Human Resources business unit.
- b) Providing proof of age to APS in accordance with Section 3.8(a)(i).
- c) Return opting in forms or opting out waivers to the Human Resources business unit when applicable.

4.2. The Human Resources Payroll division is responsible for:

- a) Remitting contributions, earnings, service and Member information change data to APS as outlined in the APS employer manual.
- b) Retaining pension records in accordance with The City's record retention policy.
- c) Communicating with Employees and Members.

4.3. The Human Resources Benefits and Pension Governance team is responsible for:

- a) Ensuring that this Administration standard is updated as necessary to comply with the LAPP Plan Text, the ITA and City practice.
- b) Filing this Administration standard with LAPP Corporation.
- c) Interpreting and applying this Administration standard.

4.4. The Chief Human Resources Officer is responsible for:

- a) Approving non-material changes to this Administration standard.
- b) As chair of the Pension Governance Committee, bringing material changes to the Administration standard Pension Governance Committee for approval.

4.5. The Pension Governance Committee is responsible for:

- a) Approving material changes to the Administration standard to the extent allowed in the Pension Governance Committee Terms of Reference.

5. CONSEQUENCES OF NON-COMPLIANCE

5.1. Failure to adhere to this Administration standard may result in corrective action, including dismissal from employment, in accordance with the Labour Relations policy, Exempt Staff policy, or the specified terms outlined in an employment contract.

5.2. Failure to adhere to this Administration standard may result in administrative sanction against The City by LAPP Corporation.

6. DEFINITIONS

6.1. In this Administration standard:

- a) "**Active**" means a Member who satisfies the criteria for Active Member under the LAPP Plan Text Section 2.01.
- b) "**Amalgamated Transit Union (ATU) 583 Payment**" means payment received in lieu of coffee breaks, lunch and rest periods, and spread pay.
- c) "**Alberta Pensions Services Corporation (APS)**" means the corporation which provides administrative services to LAPP Corporation.
- d) "**Base Pay**" means the regular hourly rate of pay and the regular scheduled hours worked biweekly; non-standard payments, worked premiums, and allowances are not included in the calculation.
- e) "**Collective Bargaining Agreement**" means the legally binding written agreement between an employer and an Association which regulates the terms and conditions of employment.
- f) "**Cumulative Service**" means the sum of an Employee's separate periods of full-time employment with The City; it includes service which could be considered Pensionable Service under the LAPP, such as Leaves of Absence, Suspension Without Pay and periods of disability. Cumulative Service excludes:
 - i. Periods which cannot be considered Pensionable Service under the LAPP, and
 - ii. All periods of employment prior to:
 - The Employee's most recent voluntary resignation or termination from employment with The City; or,

- A break in full-time service of more than 365 calendar days for Seasonal Full-time Employees.
- g) **“Employee”** means any person employed by The City and reporting to a City of Calgary business unit, department, the Office of the Chief Administrative Officer, the Office of the Chief Operating Officer, the Office of the Mayor, the City Auditor’s Office, the Calgary Housing Company and the Calgary Police Service, including those working under an employment contract with The City.
 - h) **“Income Tax Act”** or **“ITA”** means the provisions of the Income Tax Act of Canada and the Regulations thereunder, as amended or replaced from time to time.
 - i) **“International Association of Firefighters (IAFF) Relief Pay”** means payment for members of IAFF 255 performing the major duties of a higher-rated position.
 - j) **“LAPP Plan Text”** means the document written by LAPP Corporation, filed with Alberta Treasury Board and Finance and Canada Revenue Agency, and with which all employers who participate in LAPP must comply. LAPP Corporation reserves the right to amend the LAPP Plan Text periodically.
 - k) **“Leave of Absence”** or **“LOA”** means an approved absence from employment.
 - l) **“Lockout”** means a work stoppage caused by The City.
 - m) **“Long Term Disability Insurance”** or **“LTDI”** means income replacement paid by an insurer and filed with LAPP Corporation, including compensation under the Workers Compensation Act (Alberta), and periods where the Member is lawfully accommodated.
 - n) **“Member”** means an Employee of The City who is participating in the LAPP.
 - o) **“On-Call Employee”** means an Employee who is filling a non-regular position, working hours equal to or less than a normal shift; these Employees’ hours and days of work are on an intermittent or occasional basis as they have the right to elect whether or not to work when requested.
 - p) **“Paid Union Leave”** means an LOA paid by the union to perform union duties.
 - q) **“Pensionable Lump Sum Earnings”** as defined in the LAPP Plan Text and means any component of a Member’s remuneration from The City, in any pay period, where the remuneration does not fall under the definition of Pensionable Periodic Earnings, and is instead a lump sum payment, whether variable or constant in amount from year-to-year. The LAPP Plan Text requires that the remuneration was paid as part of a variable pay program as identified in this Administration standard to qualify under this definition.

- r) **“Pensionable Periodic Earnings”** as defined in the LAPP Plan Text and means a Member’s gross basic remuneration for the performance of their regular duties of employment with The City. Eligible remuneration must be paid on a uniform and consistent basis in each pay period. Pensionable Periodic Earnings includes retroactive pay which would have been included in Pensionable Periodic Earnings had it been paid at the time of a prior pay period or periods and is allocated and attributed to the pay period(s) in which the service was rendered.
- s) **“Pensionable Service”** as defined in the LAPP Plan Text and means the aggregate of Current Service, Leave Service, Probationary Service, Old Act Purchased Service, Prior Service, Portability Service and Transfer Service as those terms are defined in the LAPP Plan Text. In no event can a Member’s credited Pensionable Service for any single plan year exceed one.
- t) **“Permanent Employee”** means an Employee who has no foreseen date or event to signify an end to employment other than retirement; it includes an Employee in the probationary period.
- u) **“Permanent Full-Time Employee”** means a Permanent Employee who works the number of hours on a Permanent, continuous basis to satisfy their full-time equivalent as defined in the appropriate Collective Bargaining Agreement or policy statement.
- v) **“Permanent Part-Time Employee”** means either:
 - i. A Permanent Employee working as a shuttle bus operator whose regularly scheduled hours are at least 20 hours per week as stated in the Collective Bargaining Agreement; or
 - ii. A Permanent Employee, other than a shuttle bus operator, whose regularly scheduled hours are less than the full-time equivalent hours as defined in the appropriate Collective Bargaining Agreement or policy statement, but at least 14 hours per week.
- w) **“Police Officer”** as defined in the Special Forces Pension Plan (SFPP) plan text and means a peace officer, employed by The City, with authority to enforce federal and provincial statutes in force in Alberta generally, excluding a person acting solely as a special constable.
- x) **“Relief Pay”** means payment for an Employee who is performing the major duties of a higher-rated position.
- y) **“Seasonal Full-Time Employee”** means an Employee who is hired on a seasonal basis and is working the normal full-time hours established for the position.
- z) **“Secondment Pay”** means payment for an exempt or union Employee on a management-initiated assignment within or outside the Employee’s business unit for a specified period of time.
- aa) **“Service Pay”** means a paid premium for completing years of service as a City of Calgary Employee.

- bb) **“Shift Differential”** means extra hourly payment for working outside of regular hours (other than overtime).
- cc) **“Suspension With Pay”** means an Employee who has been relieved from duty with pay, and is therefore not working, but is being paid.
- dd) **“Suspension Without Pay”** means an Employee who has been relieved from duty without pay, is therefore not working, and is not being paid.
- ee) **“Temporary Full-Time Employee”** an Employee who has a foreseen end to employment (date or event) and is working the normal full-time hours established for the position.
- ff) **“Temporary Part-Time Employee”** means an Employee who has a foreseen end of employment (date or event) and is working the normal part-time hours established for the position.
- gg) **“Weekend Premium”** means extra hourly payment for working on weekends.
- hh) **“Year’s Maximum Pensionable Earnings (YMPE)”** means the amount established for that year under the provisions of the Canada Pension Plan.

7. ASSOCIATED GOVERNANCE

- 7.1. This Administration standard outlines requirements in support of the Total Compensation Policy.
- 7.2. In accordance with Section 18.09 of the Participating in the Local Authorities Pension Plan (LAPP) plan text, each employer participating in the LAPP must provide LAPP Corporation with a copy of their pension policies.
- 7.3. The Municipal Government Act, RSA 2000, Chapter M-26 stipulates that responsibility for internal administrative matters belongs to the Chief Administrative Officer of The Corporation, who may then delegate those duties. The pension-related duties have been delegated to the Pension Governance Committee (PGC) through the PGC Terms of Reference. The PGC is responsible for oversight and/or reporting on matters relating to the pension plans in which the Corporation’s employees participate. The PGC has authority to set and make changes to the discretionary provisions in Section 3.2.
- 7.4. This Administration standard must comply with the provisions of the LAPP Plan Text and the ITA, whether or not a particular provision is outlined in this Administration standard. In the event of a conflict between this Administration standard and the LAPP Plan Text or the ITA, the LAPP Plan Text or the ITA, as applicable, shall govern.

8. HISTORY

Action	Date	Approval	Description
Clerical Correction	2026 Jan 19	Leader, Governance and Policy	Changed Title Block to refer to Responsible Business Unit instead of Responsible Service.

New	2025 Jun 2	Director, Human Resources Support	Developed to replace the previous Participating in the Local Authorities Pension Plan policy with an effective July 28, 2025.
TBD	2022 Sep 22	TBD	Reflected change from Chief Financial Office to PICS. Updated Suspension Without Pay section to comply with the LAPP plan text. Changed strike / lockout references to pensionable to comply with the LAPP plan text.
TBD	2019 Dec 05	TBD	Background: Updated with LAPP plan text and Employment Pension Plans Act (EPPA). Definitions: Added Employee, On-Call and Suspension With Pay. Updated other definitions. 1.1 Scope: Updated names of groups. 2.0 Consequences of Non-Compliance – Updated to LAPP plan text. 6.0 – added information to title. 7.0 – LAPP Participation for Part-Time Temporary - added On-Call Employees. 13.0 and 14.0 Separated Strike/Lockout and Suspension without Pay. 15.0 – Added Suspension With Pay. 17.5 LAPP Pensionable Service – added more information for Suspensions Without Pay. 18.1.1 & 18.1.2 – clarified information regarding starting pension on December 31st of year employee turns 71.
TBD	2016 Sep 01	TBD	Definitions: deleted Car Allowance and added Pension

			Contribution Commencement Date. Updated sections 5.2 and 14.2 to reflect administrative processes. Added section 5.4. Deleted 16.1.3 Car Allowance. Added section 18 LAPP Regulatory Requirements.
TBD	2012 Apr 09	TBD	Amended clauses in Section 16.0 (LAPP Pensionable Earnings), added section 9.0 (LAPP Participation for Part-Time Temporary Employees) and added definitions to the Definitions section.
TBD	2008 Jan 01	TBD	Amended clauses regarding LAPP participation for full-time temporary employees and for full-time seasonal employees.
TBD	2007 Sep 01	TBD	New policy.
TBD	2004 Sep 21	TBD	Revisions.
TBD	1992 Jan 01	TBD	Amended provisions governing LAPP participation for full-time seasonal employees.
TBD	Before 1992	TBD	Chapter 26: Payroll, benefits and pension Administration (in the hard-copy-based editions of the Administration Manual).