



ADMINISTRATION POLICY:

Participating in the Local Authorities Pension Plan

Policy number:	HR-TR-002 (I)
Approved by:	Pension Governance Committee
Effective date:	2007 / 09 / 01
Next revision due:	2025 / 12 / 31
Department/BU:	People, Innovation and Collaboration Services (PICS) / Human Resources (Total Rewards & Healthy Workplace)

BACKGROUND

The Corporation of The City of Calgary ("The City") is a participating Local Authorities Pension Plan (LAPP) employer.

LAPP mandates employers to set policies regarding plan administration. This document outlines The City of Calgary's policies with respect to LAPP's Employer Options, subject to the provisions of the LAPP plan text and Employment Pension Plans Act (EPPA).

PURPOSE

The purpose of this policy is to outline The City's policies with respect to participation in, eligibility for, and administration of LAPP.

DEFINITIONS

1. Amalgamated Transit Union (ATU) 583 Payment – Payment received in lieu of coffee breaks, lunch and rest periods and spread pay.
2. Base Rate of Pay – Payment for performing the duties of an employee's regular position.
3. Cumulative Service – The sum of an employee's separate periods of full-time employment with The City. Cumulative Service includes service which could be considered pensionable service under LAPP, such as leaves of absence, suspension without pay and periods of disability.

Cumulative service excludes:

- Periods which cannot be considered pensionable service under LAPP, and
 - All periods of employment prior to:
 - the employee's most recent voluntary resignation or termination from employment with The City;
 - a break in full-time service of more than 365 calendar days for Seasonal Full-time Employees.
4. Date of Birth Verification – Acceptable evidence as to the Member's date of birth. Documents used to verify date of birth are as follows:
- One of the following: birth certificate, passport, citizenship card, permanent resident card, immigration papers or naturalization papers; or
 - Two of the following: (both must show the date of birth and agree as to year and date) driver's license, Government of Alberta Identification Card (or similar card from another jurisdiction), Armed Forces or Police Force identification, Alberta Health Care card, baptismal certificate, adoption record or marriage certificate.
5. Employee
- Permanent – Has no foreseen date or event to signify an end to employment other than retirement. A permanent employee also includes an employee in the probationary period.
 - Permanent Full-Time – works the number of hours on a Permanent, continuous basis to satisfy their full time equivalent as defined in the appropriate collective agreement or policy statement.
 - Permanent Part-Time – Either (a) A Permanent Employee working as a shuttle bus operator who has worked an average of at least 20 hours per week over the most recent shift rotation, or (b) A Permanent Employee, other than a shuttle bus operator, who is working less than the full time equivalent hours as defined in the appropriate collective agreement or policy statement, but more than fourteen (14) hours per week.
 - Seasonal Full-Time – Is hired on a seasonal basis and is working the normal full-time hours established for the position.
 - Temporary Full-Time – Has a foreseen end to employment (date or event) and is working the normal full-time hours established for the position.
 - Temporary Part-Time – Has a foreseen end to employment (date or event) and is working the normal part-time hours established for the position.

- On-Call – 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.
6. IAFF Relief Pay – Payment for members of IAFF 255 performing the major duties of a higher rated position.
 7. LAPP Approved LTDI – Has been filed with the LAPP Corporation and satisfies the criteria outlined in the LAPP plan text for an LTDI Plan.
 8. Leave of Absence (LOA) – an approved absence from employment.
 9. Lockout – Work stoppage caused by The City.
 10. Long Term Disability Insurance (LTDI): income replacement paid by an insurer.
 11. Member – An Employee of The City of Calgary who is participating in the LAPP.
 12. Pension Contribution Commencement Date – upon hire, the date of employment in an eligible position or the first day of the pay period during which the Employee moved to an eligible position.
 13. Relief Pay – Payment for an Employee who is performing the major duties of a higher rated position.
 14. Secondment Pay – 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.
 15. Service Pay – Defined in the Collective Agreement as pay for completing years of service as a City of Calgary Employee.
 16. Shift Differential – Extra hourly payment for working outside of regular hours (other than overtime).
 17. Suspension Without Pay – Employee who is not working and not receiving pay in accordance with the Labour Relations Policy (Administration Policy HR-LR-002).
 18. Suspension With Pay – Employee who is not working, however is being paid in accordance with the Labour Relations Policy (Administration Policy HR-LR-002)
 19. Paid Union Leave – An employee on a LOA paid by the union to perform union duties.
 20. Variable Pay – Payment as defined by The City's Corporate Management Team (CMT) Performance Management System Guide.
 21. Weekend Premium – Extra hourly payment for working on weekends.

POLICY

1.0. Scope/Exceptions

1.1. Scope

This policy applies to administration of the LAPP for City of Calgary employees eligible under Alberta Pensions Services Corporation's Employer Number 329 (Civic) and Employer Number 784 (Firefighters).

1.2. Exceptions

None identified.

2.0. Consequences of Non-Compliance

- 2.1.** Failure to adhere to the items contained in this policy may result in retroactive application for affected employees. Employer conformance with LAPP plan text is subject to a triennial audit.

3.0. Responsibilities

- 3.1.** The responsibilities of the Pension Governance Committee are to:

- 3.1.1.** Endorse amendments and exceptions to this Policy,
- 3.1.2.** Ensure that its delegates administer this policy, and
- 3.1.3.** Make recommendations to the City Manager for significant changes.

- 3.2.** The responsibilities of PICS Human Resources are to:

- 3.2.1.** Ensure LAPP is administered in accordance with this policy,
- 3.2.2.** Ensure compliance with the prescribed procedures within the business units, and
- 3.2.3.** Recommend amendments hereto, from time-to-time, including amendments to ensure compliance with any applicable legislation.

4.0. LAPP Date of Birth Verification

- 4.1.** Upon becoming a Member of the LAPP, the Member must provide Date of Birth Verification directly to Alberta Pensions Services Corporation.
- 4.2.** Upon applying for a retirement pension, death in service pension options, optional service request and disability pension from LAPP, the Member or beneficiary must provide Date of Birth Verification to The City of Calgary Human Resources or Alberta Pensions Services Corporation.

5.0. LAPP Leave of Absence and Long Term Disability Insurance (LTDI)

- 5.1.** The City has an LTDI plan with LAPP. This requires an Employee or former Employee who is in receipt of LTDI benefits to have their pensionable service, salary and contributions calculated as though the employee were actively at work.
- 5.2.** An Employee who is on a LOA is not permitted to make LAPP contributions while on LOA, but is entitled to purchase their pensionable service after the leave has been reported to the Plan, either during year end reporting or at termination of employment.
- 5.3.** An Employee who is on an approved Paid Union Leave shall have their pensionable service, salary and contributions calculated as if the Employee were actively at work.
 - 5.3.1.** Pensionable salary shall be based on the remuneration paid to the Employee by the union, subject to limits set out in the LAPP plan text.
- 5.4.** An Employee who becomes eligible to participate in LAPP during a LOA will be enrolled in the plan on the first day of the pay period in which they become eligible to participate.

6.0. Participation in the Plan is determined by LAPP plan text, this policy and applicable collective agreements.

6.1. LAPP Participation for Full-time Permanent Employees

Permanent Full-Time Employees shall participate in LAPP from the date of appointment as a Permanent Employee.

6.2. LAPP Participation for Part-time Permanent Employees

Permanent Part-Time Employees shall participate in LAPP from the date of appointment as a Permanent Employee.

6.3. LAPP Participation for Full-time Temporary Employees

6.3.1. Prior to 2008

6.3.1.1. Temporary Full-Time Employees are required to participate in LAPP after 24 months continuous service, except for the following:

- Temporary Full-Time Employees 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 LAPP, shall participate in LAPP from date of employment with The City.
- Temporary Full-Time Employees, who, upon employment by The City, have terminated employment with another LAPP employer immediately prior to commencing City employment, shall participate in the Pension Plan from the date of employment with The City.

6.3.2. Effective 2008 January 1

6.3.2.1. Temporary Full-Time Employees may opt to participate in LAPP after 24 months continuous service.

- The City will not contribute towards service rendered prior to the date on which the employee opts to participate in LAPP.

6.3.2.2. Eligible Temporary Full-Time Employees will be automatically enrolled in 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 LAPP.

6.3.2.3. Temporary Full-Time Employees who, upon date of hire with The City, undertake to transfer service of any duration with a body with whom the LAPP maintains a reciprocal agreement into LAPP, may participate in LAPP from date of employment with The City.

6.3.2.4. Temporary Full-Time Employees who, upon employment by The City, have funds on deposit with LAPP may participate in the Pension Plan from the date of employment with The City.

7.0. LAPP Participation for Temporary Part-Time Employees and On-Call Employees

7.1. Temporary Part-Time Employees and On-Call Employees are not eligible to participate in LAPP.

8.0. LAPP Participation for Seasonal Full-Time Employees

8.1. Prior to 1992

8.1.1. Seasonal Full-Time Employees who were employed with The City and participants in LAPP as of 1992 January 01 may continue participation in the LAPP in accordance with the policy in place on 1991 December 31.

8.2. Between 1992 January 01 and 2007 December 31

8.2.1. Seasonal Full-Time Employees 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 participate in LAPP and may continue such participation during each subsequent recall period.

8.3. Purchase of Pre-2008 Prior Service

8.3.1. If a Seasonal Full-time Employee joins LAPP and within 12 months of becoming eligible to join LAPP they also apply 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 Employee contributing the Employee's share by the end of the recall employment period next following the date on which the employee is first advised of the cost allocation between the Employee 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 Employee's normal LAPP cost, as though the service was current service, using the Employee's annualized salary, the yearly maximum pensionable earnings (YMPE), and LAPP current contribution rates at the time of application for optional service.

8.4. Effective 2008 January 1

- 8.4.1.** Seasonal Full-Time Employees may opt to participate in LAPP after 24 months of cumulative service and may continue such participation during each subsequent recall period.
- 8.4.2.** The City will not contribute towards service during which the Employee was eligible to participate in LAPP, but did not do so.

8.5. Grandfathering

- 8.5.1.** 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 LAPP and applies to purchase prior service with The City, The City will contribute towards the cost of such prior service, as described under Section 10.3 (Purchase of Pre-2008 Prior Service).

9.0. LAPP Participation for Employees Hired on Contract

- 9.1.** Employees hired on a contract basis shall not be considered Permanent Employees and LAPP participation shall be dictated by the terms of their contract.

10.0. Prior Service Buyback

- 10.1.** Except as specifically provided herein for Seasonal Full-Time Employees, where an Employee elects to make contributions to LAPP for prior service, the entire cost of such prior service shall be borne by the Employee.

11.0. Continuation of Participation

- 11.1.** An Employee in LAPP must continue to participate while they remain eligible to do so. Seasonal Full-Time Employees who opt to participate in LAPP must continue to participate until the next lay-off date.

12.0. LAPP Participation for Employees on a Leave of Absence without Pay

- 12.1.** Where an Employee who is participating in LAPP goes on a leave of absence without pay, pension contributions cease.
- 12.2.** The leave will be reported to the Plan at year end and the employee may elect to purchase the leave in accordance with LAPP provisions.

13.0. Strike/Lockout

- 13.1.** LAPP contributions are payable with respect to a period of strike or lockout.

14.0. Suspension without Pay

- 14.1.** A Member who is on a Suspension Without Pay is treated as an LOA.

15.0. Suspension with Pay

- 15.1.** An Employee who is on a Suspension with Pay shall have their pensionable service, salary and contributions calculated as if the Employee were actively at work.

16.0. LAPP Pensionable Earnings

16.1. Pension contributions shall be based on:

16.1.1. Base Rate of Pay,

16.1.2. IAFF Relief Pay,

16.1.3. Weekend premium,

16.1.4. Shift differential,

16.1.5. ATU 583 Payment,

16.1.5. Variable Pay,

16.1.6. Service Pay,

16.1.7. Relief Pay (effective 2012 April 09),

16.1.8. Secondment Pay (effective 2012 April 09).

17.0. LAPP Pensionable Service

17.1. 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.

17.2. If the Permanent Full-Time Employee, Temporary Full-Time Employee or Seasonal Full-Time Employee was 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.

17.3. A Member who is a Permanent Part-Time Employee will have service calculated as:

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 agreement or policy statement.

17.4. Pensionable service shall accrue for Employees during a period of strike or lockout.

- 17.5.** Pensionable service shall not accrue for Employees on Suspension Without Pay, however Employee is entitled to purchase this service by applying directly to HR Support Services.

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 HR Support Services.

- 17.6.** An employee who is on a Suspension With Pay shall have their pensionable service calculated as if the employee were actively at work.

18.0. LAPP Regulatory Requirements

- 18.1.** The LAPP plan text requires Permanent Employees to participate in LAPP.

18.1.1. Canada Revenue Agency (CRA) and LAPP plan text require members who have not retired prior to December 30th of the year in which they turn 71, to start their pension on December 31st of that year.

18.1.2. CRA and LAPP plan text do not allow an employee to participate in the plan if they are in receipt of a LAPP pension.

SUPPORTING REFERENCES AND RESOURCES

Please note that some of the items listed below may not be publicly available.

References to related corporate-wide procedures, forms and resources

- calgary.ca/pension

Other references and resources

- [Local Authorities Pension Plan](#) website

REVISION HISTORY

Review Date	Description
2022 September 22	<p>Reflected change from Chief Financial Office to PICS.</p> <p>Updated Suspension Without Pay section to comply with the LAPP plan text.</p> <p>Changed strike / lockout references to pensionable to comply with the LAPP plan text.</p>
2019 December 05	<p>Background: Updated with LAPP plan text and Employment Pension Plans Act (EPPA).</p> <p>Definitions: Added Employee, On-Call and Suspension With Pay.</p> <p>Updated other definitions.</p> <p>1.1 Scope: Updated names of groups.</p> <p>2.0 Consequences of Non-Compliance – Updated to LAPP plan text.</p>
	<p>6.0 – added information to title.</p> <p>7.0 – LAPP Participation for Part-Time Temporary - added On-Call Employees.</p> <p>13.0 and 14.0 Separated Strike/Lockout and Suspension without Pay.</p> <p>15.0 – Added Suspension With Pay</p> <p>17.5 LAPP Pensionable Service – added more information for Suspensions Without Pay.</p> <p>18.1.1 & 18.1.2 – clarified information regarding starting pension on December 31st of year employee turns 71.</p>

2016 September 01	<p>Definitions: deleted Car Allowance and added Pension Contribution Commencement Date.</p> <p>Updated sections 5.2 and 14.2 to reflect administrative processes.</p> <p>Added section 5.4.</p> <p>Deleted 16.1.3 Car Allowance.</p> <p>Added section 18 LAPP Regulatory Requirements.</p>
2012 April 09	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.
2008 January 1	Amended clauses regarding LAPP participation for full-time temporary employees and for full-time seasonal employees
2007 September 01	New policy
2004 September 21	Revisions
1992 January 01	Amended provisions governing LAPP participation for full-time seasonal employees
Before 1992	Chapter 26: Payroll, benefits and pension Administration (in the hard-copy-based editions of the Administration Manual)