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**Procedure Title:** Local Authorities Pension Plan (LAPP) Policy  
**Policy:** 1900-23  
**Adopted:** November 17, 2020  
**Amended:**

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## **POLICY PURPOSE**

To establish standards for the administration of the Local Authorities Pension Plan (LAPP). In the event that this policy conflicts with current legislation, the legislation will prevail.

## **POLICY STATEMENT & GUIDELINES:**

The Local Authorities Pension Plan (LAPP) is a defined benefit pension plan, which means that eligible employees will receive a pension based on their pensionable salary and years of pensionable service. The Plan is financed by employee and employer contributions and by earnings on investments.

## **PARTICIPATION:**

Contributions to the Plan stop after 35 years of service has been accumulated. If the employee continues to work after reaching 35 years of service, the employee's salary is still reported to LAPP.

If an employee moves from an eligible to ineligible employment category, or vice versa, they must terminate from the Plan or begin participation respectively, as per pension guidelines.

## **DEFINITIONS**

**Continuous Basis** means an employment basis where no date or event, if any, fixed by reference to employment, has been set as an end date of employment. Employees working under continuous contracts with no end date/event are considered to be employed on a continuous basis. Employees with a pre-determined date/event that signifies the end of their employment are not considered to be employed on a continuous basis.

**Administrative Class** means an employee who is appointed as senior administrative management.

## **ADMINISTRATION**

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Pension plan benefits are administered through the Local Authorities Pension Plan in accordance with their policies.

## **CONTRIBUTIONS**

Pension contributions are non-tax deductible.

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Contribution rates for employees and employers are determined by the LAPP Sponsor Board.

## **EMPLOYEE PARTICIPATION AND PROBATIONARY PERIODS**

- 1. Mandatory Participation** – There is no probationary waiting period. All employees in the “Administrative Class” working 30 or more regularly scheduled hours per week on a continuous basis must participate in LAPP.
- 2. Eligible/Required to Participate based on Employer Policy** – The following employee class is enrolled according to employer policy:
  - a. Employees in the “Administrative Class”, under defined term contracts who work 30 or more regularly scheduled hours per week. Plan participation is mandatory upon becoming eligible.
  - b. Employees in the “Administrative Class” that are employed on a continuous basis or defined term contracts who work 14 or more hours but less than 30 regularly scheduled hours per week. Plan participation is optional (employees’ choice) upon becoming eligible. If an eligible employee chooses to not participate in the Plan upon becoming eligible, they may choose to participate at a later date should they remain eligible. If an eligible employee chooses to participate in the Plan they may not later choose to opt out of the Plan.
- 3. Ineligible to Participate** – The following employees are not eligible to participate:
  - a. Employees that are not categorized as “Administrative Class”.
  - b. Employees age 71 or older.
  - c. Employees receiving a monthly LAPP pension based on previous participation in the Plan.
  - d. Employees who work less than 14 hours per week.

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## PENSIONABLE SALARY IN LAPP

Type of Pay		Included in pensionable salary?
a.	Regular Pay	Yes
b.	Retroactive pay	Yes
c.	Vacation Pay - Paid time off while employed	Yes
d.	Vacation Pay - Paid as lump sum	No
e.	Overtime Pay	No
f.	Severance Pay	No
g.	Acting Pay	No
h.	Shift Work Premium	Yes
i.	Weekend Work Premium	Yes
j.	Variable Pay or Bonuses	No
k.	Value of the Provision of an Automobile for Personal Use (up to the lesser of \$3,000 per year or the amount reported as the taxable benefit for that usage for income tax purposes.)	Yes

**END OF PROCEDURE**