

Local Authorities Pension Plan Policy

2C.023

Section: 2.0 General Government and Administrative Services
- C. Human Resources

Authority: General Manager of Corporate Services

Statement

Local Authorities Pension Plan (LAPP) is a defined benefit pension plan, which means that as a member of LAPP, Municipal District of Bonnyville (M.D.) employees will receive a pension based on their pensionable salary and years of pensionable service. LAPP is financed by member and employer contributions and by investment earnings. The M.D.'s contribution rate is one per cent higher than the employee's rate. The rates are set by the LAPP board.

LAPP membership is mandatory for full-time and part-time permanent M.D. employees. Guidelines for mandatory plan enrolment and exclusions is defined below.

Guidelines

(1) Full-time

(a) To be a full-time permanent M.D. employee for the purposes of determining membership in the Plan, regularly scheduled hours of work must be not fewer than 30 hours per week. In determining whether this threshold has been met at the time of registration, the M.D. will determine what the employee will be expected to work over the course of an entire service year. If the expected average weekly hours are 30 or more, the employee is considered full-time for the purposes of determining membership. Once employees have been enrolled, they remain members until they leave employment.

(2) Part-time

(a) To be a part-time permanent M.D. employee for the purposes of determining membership in the Plan, the regularly scheduled hours of work must be not fewer than 14 hours per week or 728 hours in a service year and must be fewer than 30 hours per week. In determining whether this threshold has been met at the time of registration, the M.D. should determine what the employee will be expected to work over the course of an entire service year.

(b) A person employed in multiple positions is eligible for pension benefits if the combined hours of regularly-scheduled work total more than 14 hours a week.

(3) Exclusions from LAPP Membership

The following M.D. employees cannot participate in LAPP and will not be registered:

- (a) Temporary – Contract End Date; or
- (b) Permanent, although do not meet the part-time eligibility guidelines as per the Local Authorities Pension Plan;
- (c) Completing an initial probationary period;
- (d) Belonging to a non-participating class;
- (e) Employed prior to age 15 or after the end of the year in which you reach 71;
- (f) Excluded from membership according to municipal policy; or

- (g) Receive a monthly pension from LAPP based on their previous participation in the Plan.

Married female employees who opted out of participation before July 1, 1978 cannot participate unless they apply to become members.

Also excluded are employees who participate in one of the following plans or who would participate but do not, owing to a participation rule set out in one of those plans:

- (a) Management Employees Pension Plan;
- (b) Special Forces Pension Plan; or
- (c) Pension plan governed by the Teachers' Pension Plans Act.

(4) Process

- (a) Determine eligibility.
- (b) Register employee on LAPP.
- (c) Submit contributions per pay period.
- (d) Submit Year End details.
- (e) Terminate at the end of M.D. employment period.

(5) Calculation of Service

All eligible M.D. employees shall contribute to LAPP on a per pay period basis. Service hours are calculated according to Full Time Equivalency (FTE).

- (a) Full-time Service Year (1.0)
 - (i) M.D.
 - 1. 7 hours/day = 1820 hours annually
 - 2. 8 hours/day = 2080 hours annually - Minimum hourly
 - 3. 44 hours/week = 2288 hours annually - Maximum hourly
 - (ii) Bonnyville Regional Fire Authority
 - 1. 7 hours/day = 1820 hours annually - Minimum hourly 1.0 FTE
 - 2. 8.423 hours/day = 2190 annually - Maximum hourly 1.0 FTE
- (b) Disability Leaves
 - (i) Short-Term Disability (STD): Disability leave whereby any portion of salary is generated from the employee's sick leave accrual, will require LAPP contributions be deducted per pay period as if the employee was at work.
 - (ii) STD: Disability leave whereby no portion of salary is provided by the employer will be costed at Year-End by LAPP. This pensionable service buy-back costing is optional.
 - (iii) Long-Term Disability (LTD): Disability leave unpaid by the employer will be costed at Year-End by LAPP. This pensionable service buy-back costing is optional.
 - (iv) Workers Compensation Board (WCB): Work related disability leaves require mandatory LAPP contributions as per Local Authorities Pension Plan. The amount of this contribution will be calculated and deducted from the employee earnings upon the return to work.

For additional information on Local Authorities Pension Plan go to:

https://www.lapp.ca/assets/LAPP/files/publications/LAPP_Member_Handbook.pdf

Policy Review

Within five (5) years from date adopted / amended / reviewed

For administrative use only:

Previous Policy Number: (prior to July 24, 2019)	10.12.42
Related Documentation: (plans, bylaws, policies, procedures, etc.)	Policy: Personnel Policy (#2C.007)