

## Local Authorities Pension Plan - Participation

This procedure falls under **Employee Benefits Directive, A1130**.

**Date of Approval:** March 19, 2018

**Next Scheduled Review:** Date of Approval + 3 years

### **Purpose:**

The purpose of this procedure is to outline the City's practices in respect of the participation of employees in the Local Authorities Pension Plan, subject to the provisions of the *Public Sector Pension Plans Act*, RSA 2000, c P-41 and Regulations made pursuant to Schedule I of the Act.

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### **Definitions**

All definitions contained in the [Employee Benefits Administrative Directive](#) apply to this procedure.

In addition:

- **“Act”** means the *Public Sector Pension Plans Act*, RSA 2000, c P-41 as amended from time to time;
- **“amalgamated transit union (ATU) 569 payment”** means the lump sum payment received in lieu of coffee breaks, lunch, rest periods and performance reviews;
- **“ATU 569”** means the Amalgamated Transit Union Local 569 (Main and DATS);
- **“base rate of pay”** means payment for the performance of the regular duties of employment;
- **“buy-back proposal”** means a proposal issued by Local Authorities Pension Plan early in the New Year detailing the employee's options for purchasing any leave gaps in their service
- **“CSU 52”** means Civil Service Union 52;
- **“CUPE 30”** means Canadian Union of Public Employees Local 30;
- **“EFFU”** means Edmonton Fire Fighters' Union;
- **“eligible employee”** means any employee, except those for whom the Special Forces Pension Plan is applicable, who is expected to accrue pensionable service under the Local Authorities Pension Plan;
- **“employee, full-time permanent or probationary”** means any eligible employee who has full-time permanent or probationary status with the City, and is working the number of hours to satisfy their full-time equivalent as defined in the applicable collective agreement or directive;
- **“employee, part-time permanent or probationary”** means any eligible employee who has part-time permanent or probationary status with the City, and is working less than the number of hours to satisfy their full-time equivalent as defined in the appropriate collective agreement or directive, but is working more than twenty (20) hours per week
- **“employee, non-permanent”** means any employee who does not have permanent or probationary status with the City;
- **“first year of service”** means the aggregate total of the first twelve (12) calendar months of any service with the City and/or any service, immediately preceding the current service with the City, (not even 1 work day without Local Authorities Pension Plan participation) with another employer who participates in the Local Authorities Pension Plan;

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- **“IBEW 1007”** means International Brotherhood of Electrical Workers Local 1007;
- **“leave of absence”** means any unpaid period of time away from regular work hours. Examples of a leave could be time away from work for an unscheduled appointment, or an unpaid day off: Annual Funded Leave (AFL), Leave of Absence Without Pay (LWO), Sick Without Pay (SWO), Absence Without Approval (AWO), Shift Trades (STS), Suspension Without Pay (SSO)
- **“leave of absence maximums”** means that the Canadian Income Tax Act defines the maximum amounts of leave time an employee can buy back as pensionable service during their career:

Five Years of Cumulative Full-Time Service - the maximum amount of Leave of Absence an employee can buy back as pensionable service in their career. The effective date of the maximum cumulative five-year leave monitoring is December 10, 2017.

Three Additional Years - Three additional years of leave above the five year maximum is permitted when that leave is for Maternity and/or Parental leave.

- **“out-of-scope employee (OOS)”** means non-management employees who do not fall within the scope of a collective agreement between the City and a union or association;
- **“pension contributions”** are contributions prescribed by regulations pursuant to Schedule I of the Act;
- **“pension plan”** means the Local Authorities Pension Plan established under Schedule I of the Public Sector Pension Plans Act (Alberta Regulation 365/1993);
- **“pensionable salary”** means earnings that pension contributions are based on. The City of Edmonton includes the following pay types: ATU 569 Payments, base rate of pay, relieving acting pay, secondment pay, service pay, reporting pay, tunnel differential;
- **“pensionable service”** means service for which contributions are made to the Pension Plan in accordance with the Regulations;
- **“regulations”** means regulations made pursuant to Schedule I of the Act, and will include the terms and conditions prescribed by the supplementary pension plans;
- **“relieving acting pay”** means pay for performance of duties at a higher level than those which would normally be assigned to the position for which the employee is employed on a regular basis;
- **“reporting pay”** means pay when an employee is advised that a full day of work cannot be provided on a specific day, employee reports for work, but is sent home before engaging in work, or is instructed not to report to work;
- **“secondment pay”** means pay for a management initiated assignment within or outside the employee’s normal business unit, for a specified period of time;
- **“service pay”** means pay for completing years of service as a City of Edmonton employee as defined in the collective agreement;
- **“supplementary pension plans”** are the City of Edmonton Fire Fighters’ Pension Plan, established under City Bylaw No. 4325 and as amended from time-to-time, The City of Edmonton Fire Chiefs Supplementary Pension Plan for employees in the position of Fire Chief or Deputy Fire Chief, established under City Bylaw No. 9617 and as amended from time-to-time, and any additional pension plan, which may be established under bylaw by the City of Edmonton for the benefit of its employees; and

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- **“tunnel differential”** means premium pay provided for hours spent working in subterranean tunnels.

### Processes

#### *1 Participation Eligibility*

1.1 Participation in the Pension Plan shall, at all times, be governed by the Act and Regulations.

All full-time permanent or probationary employees and part-time permanent or probationary employees, except those to whom the Special Forces Pension Plan is applicable, are required to participate.

Full-time permanent or probationary employees, and part-time permanent or probationary employees, except those for whom the Special Forces Pension Plan is applicable, will participate in the Pension Plan upon completion of their First Year of Service with the following exceptions:

- a) Full-time permanent or probationary employees, and part-time permanent or probationary employees, to whom the supplementary pension plans are applicable, shall participate in the pension plan from the date of employment.
- b) Full-time permanent or probationary employees, and part-time permanent or probationary employees who, upon employment by the City, undertake to transfer service, of any duration, with a body with whom the pension plan maintains a reciprocal transfer agreement, into the pension plan, shall participate in the pension plan from the date of employment by the City.
- c) Full-time permanent or probationary employees, and part-time permanent or probationary employees who, upon employment by the City, have previous City employment of one (1) calendar year or more of service, shall participate in the pension plan from the date of employment by the City. Those having previous City employment of less than one (1) calendar year shall participate at such time that their aggregate City service equals one calendar year.
- d) Full-time permanent or probationary employees, and part-time permanent or probationary employees who, upon employment by the City, have terminated employment with another employer participating in the pension plan immediately prior to commencing City employment (not even one work day without pension plan participation), and have one (1) year of pensionable service or more shall participate in the pension plan from the date of employment by the City. Where the pensionable service is less than one (1) year, the employee shall participate after the combined previous pensionable service plus City employment total one (1) calendar year of service.

When a full-time permanent or probationary employee, or a part-time permanent or probationary employee, who is a member of the pension plan, becomes a part-time permanent or probationary employee who works less than twenty (20) hours per week, that employee's participation as an active contributor to the pension plan will cease on that date.

A non-permanent employee that commenced employment with the City of Edmonton prior to 1997, or commenced employment as a permanent employee and later transferred to a

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non-permanent employee status prior to January 1, 2013, who previously participated in the pension plan, or who is currently participating in the pension plan, may participate in the pension plan in the future, subject to the Public Sector Pension Plans Act and Regulations made pursuant to Schedule I of the Act, provided that:

- a) the employee has Local Authorities Pension Plan contributions left on deposit pertaining to the immediately preceding period of employment with the City; and
- b) the employee will be rendering service on a regular basis and working no less than thirty (30) hours per week during any period of reemployment.

A non-permanent employee that commenced employment with the City prior to 1997, or commenced employment as a permanent employee and later transferred to a non permanent employee status prior to January 1, 2013, takes a refund of pension contributions upon termination of employment with the City, the employee will not be eligible to participate in the pension plan in the future with a non-permanent employee status.

A non-permanent employee, who commences employment with the City after December 31, 2012, will not be eligible to participate in the pension plan.

Questions about eligibility should be directed to the Employee Service Centre.

### 2 *Purchasing Prior Service*

#### 2.1 First Year of Service

An employee who is not eligible to participate in the pension plan immediately upon commencement of employment with the City, and who during the first year of service was a permanent or probationary employee, may later apply to purchase the first year of service for pension purposes.

If the employee arranges to purchase the first year of service for pension purposes prior to the fifth (5th) anniversary of the employee's entry into the pension plan, the City will contribute the employer's share for the portion of the first year of service which was with the City and for which the employee had permanent or probationary status. If the purchase of the first year of service is deferred beyond this five (5) year period, the employee will be required to pay all required contributions.

#### 2.2 Leave of Absence Without Pay

A period of leave without pay may be purchased as pensionable service, provided that:

- a) the employee was contributing to the pension plan immediately prior to the commencement of the leave without pay;
- b) the employee has purchased less than the maximum period of leave without pay (five years cumulative and an additional three years for maternity/parental) as pensionable service subject to the provisions of the pension plan; and

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- c) the employee has at least one (1) day of paid employment (including paid vacation), after the period of leave without pay, prior to termination with the City; and
- d) the purchase is made in accordance with all time requirements, as required by the provisions of the pension plan and the supplementary pension plans.

The City will contribute the employer's share of the first year of leave without pay purchased under the pension plan. Costs associated with all other periods of eligible prior service applied for will be paid by the employee only.

The City will report all periods of leave to LAPP. When LAPP receives the City's year-end payroll information, which will include all periods of unpaid leave time, LAPP will issue a Buy-Back Costing Proposal to all employees with reported leave time. The Buy-Back Proposal will include information on the process of buying back unpaid periods of leave as pensionable service, the timelines to buy back that leave and the methods of payment.

### 2.3 Prior Service as a Non-Permanent Employee

Prior service as a non-permanent employee may be purchased once an employee is a participating member of the pension plan. The City does not contribute towards the cost of such service.

Questions about eligibility and applications to purchase prior service should be directed to the Employee Service Centre.

### 2.4 Leave of Absence With Pay

Short Term Disability (STD): The City's paid STD plan is an approved plan under the Income Tax Act, so that disability pay is treated the same as if the employee is receiving normal wages, and the time is considered pensionable for service and contributions.

Long Term Disability: The City has an approved Long Term Disability Insurance (LTDI) plan with LAPP. This requires an employee or former employee who is in receipt of LTDI benefits to have his/her pensionable service, salary and contributions calculated as if the employee was actively at work.

Workers' Compensation Board (WCB): LAPP Regulations and the Income Tax Act requires an employee or former employee who is in receipt of WCB benefits to have his/her pensionable service, salary and contributions calculated as if the employee was actively at work.

Union leave: The Income Tax Act allows union leave time to be considered pensionable. Any time associated with union duties will be used in the pensionable service, salary and contributions calculations as if the employee was actively at work.

Suspensions Without Pay are not included in this definition. A 'Suspension Without Pay' is a period of unpaid leave and will be reported as a leave of absence for pension purposes.

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2.5 Employees hired on Employment Agreement or in Specific Term positions  
 An employee hired on an employment agreement into a permanent full-time or permanent part-time position, where the employment agreement terms specifically include a provision for pension participation, shall participate in the Pension Plan.

2.6 Pensionable Service Determination  
Full-time members of the pension plan, with active service for the entirety of all pay-periods in a 26 pay period year or all pay periods in a 27 pay period year, will be credited one (1.0000) year of pensionable service. Members of the pension plan not active for the entire year will receive pensionable service adjusted proportionally. For example, a member that has worked 18.3 pay periods will receive 18.3 divided by 26 pay periods equaling 0.7038 years of service reported for pension purposes.

Full-time equivalency for part-time employees is calculated by multiplying the standard daily hours for the job code by 10 (days in a bi-weekly pay period) and multiplying by 26 or 27 (bi-weekly pay periods per year) as applicable.

Part-time service will be reported as a portion of the full-time equivalency hours. For example, an employee who requires 1,755 hours to equal 1 year of service and who has worked 1,150 hours would have 0.6553 years of service reported for pension purposes.

Union	Standard Hours based on Job Code	Full-Time Equivalency Hours to Equal 1 Year of Pensionable Service in a 26 Pay Period Year
CSU 52, OOS	6.75	1,755.0
CSU 52 Library	7.00	1,820.0
Management, OOS	7.38	1,918.8
ATU 569, EFFU	7.50	1,950.0
EFFU	7.75	2,015.0
CSU 52, CUPE 30, IBEW 1007, ATU 569, EFFU, OOS	8.00	2,080.0
EFFU	8.40	2,184.0

### **Authority**

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Exceptions to this directive must be authorized by the City Manager. All exceptions are required to comply with the rules of the pension plan.

### **Attachments**

The following attachments are related to this procedure:

- [Public Sector Pension Plans Act](#)
- [Local Authorities Pension Plan Regulation](#)
- [Canada Revenue Agency](#)
- [Income Tax Act](#)

### **History**

- A1119C: Local Authorities Pension Plan - Participation: Approved November 23, 2017
- A1119C: Local Authorities Pension Plan - Participation: Approved February 26, 2016
- A1119B: Local Authorities Pension Plan - Participation: Approved April 11, 2013.
- A1119A: Local Authorities Pension Plan - Participation: Approved November 4, 1997.