

**POLICY TITLE:**

LAPP POLICY

**POLICY STATEMENT:**

The Local Authorities Pension Plan (LAPP) is a defined benefit pension plan. Meaning the pension paid to you each month in retirement is secure and can be estimated in advance—and it is based on your salary and years of service in LAPP, not investment performance. Your LAPP pension will be paid to you for your life.

**EFFECTIVE DATE:**

April 7, 2022 ,as per resolution no. 99-2022

**DEFINITIONS:**

- 1.1** Pensionable Salary includes: gross basic pay (for the performance of the regular duties of employment) and statutory holiday pay. It does not include overtime, shift differential, acting pay, variable pay, vacation, or sick pay that is paid in a lump sum or pay for merit.

**POLICY GOALS AND  
OBJECTIVES:**

Eligibility

1. Participation is mandatory for all permanent employees working a minimum of 30 hours per week on a regularly scheduled basis with no pre-determined end date.

2. Permanent employees scheduled to work an average of less than 30 hours per week are not eligible to participate.
3. If an employee moves from an eligible to ineligible classification but are still a permanent employee scheduled to work a minimum of 15 hours per week but less than 30 hours per week, may be eligible to participate.
4. Casual, Temporary and Contract employees are not eligible to participate.
5. Any employee who is in receipt of a LAPP pension may not participate.

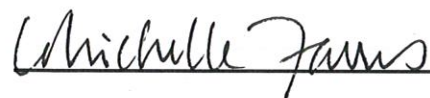
#### Administration

1. Pension contributions are tax deductible.
2. Contribution rates are as determined by the LAPP Board of Trustees. The employer contribution rate is 1% percent higher than member contributions.
3. Maximum pensionable service a member can accumulate is 35 years.
4. Minimum service required to qualify for a pension is 2 years (full vested), unless the member reaches age 65 before attaining 2 years of service, in which case they are considered immediately vested.
5. Member and employer contributions are required during short-term WCB claims, but not in the case of a Lifetime WCB Pensioner.
6. Contributions while on Long Term Disability and Maternity/Parental Leaves are optional.
7. Other Leaves of Absence with or without salary may be eligible for purchase of pensionable service.
8. Employer contributions for all combined leaves are limited to a maximum of one year.



Pension Benefit

1. Amount of the pension is based on the member's length of pensionable service and the average of their five highest consecutive years of salary. This benefit is guaranteed, regardless of how much money is in the pension fund.
2. Pension formula is 1.4% benefit on salary up to the Year's Maximum Pensionable Earnings (YMPE), and 2% benefit on salary over the YMPE up to the maximum allowed under the Income Tax Act.
3. Members can retire with an unreduced pension starting at age 65 but must start their pension by December 31st of the year they turn 71.
4. Members can also receive an unreduced pension as early as age 55 if they have 85 points (years of pensionable service + their age = 85).
5. A member may retire any time after age 55, provided they have at least 2 years of LAPP membership, however, the pension benefit will be reduced accordingly.
6. If a member should die before retirement, their pension partner (or beneficiary if there is no pension partner) is automatically entitled to a benefit from the pension plan.
7. If a member should become disabled prior to retirement, they may be eligible for a disability pension.



Mayor



Chief Administrative Officer

**NEXT REVIEW DATE: MAY 01, 2026**