

<b>Administrative Procedures Manual</b>	<b>Administrative Procedure 413</b>	
	<b>Pension Plans</b>	
	APPROVED: September 2013	
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LEGAL REFERENCE:	Section 52, 53, 68, 222 Education Act Employment Standards Code Labour Relations Act Canada Income Tax Act Canada Income Tax Regulation Employment Pension Plans Act	Local Authorities Pension Plan Regulation Employees Association Collective Agreement Staff Under Individual Contract

**Background**

Eligible Division employees shall have the opportunity to participate in Pension Plans.

**Procedures**

1. Alberta Teachers Retirement Fund (ATRF)

1.1 All teachers under contract to the Division must, as a condition of employment, participate in the ATRF.

2. Local Authorities Pension Plan (LAPP)

Considering the definition of employment status categories as specified in the Local Authorities Pension Plan Employer Manual, eligibility to participate for the Division approved occupational classes will be as follows:

2.1 Full-time Permanent Contract

2.1.1 Participation in the Local Authorities Pension Plan is mandatory and a condition of employment for employees in this category.

2.2 Temporary Contract

2.2.1 Participation in the Local Authorities Pension Plan will not be offered to employees in this category.

2.2.2 In the event that an employee in this category becomes permanent, the employer will not be liable for employer contributions for this prior service in the event the employee chooses to purchase it.

2.3 Part-time, Permanent Contract

2.3.1 Participation in the Local Authorities Pension Plan is mandatory and a condition of employment for employees in this category. Part-time employees must work an average of 14 hours or more per week.

2.4 Participation in the Plan stops after 35 years of service has been accumulated.

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

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2.6 Probationary Period

- 2.6.1 The probationary or waiting period to be served is six (6) months when it pertains to eligibility for participation in the plan. This may vary depending on the occupational group/class that an employee belongs to. The length of the waiting period will be referenced in the offer of employment or applicable collective agreement.
- 2.6.2 Proven service with another local authority will count towards completion of the waiting/probationary period if any break in employment between the former and the current employer is less than one working day as per LAPP. If the employee has no previous service, then registration will occur upon completion of a probationary period as follows:
  - 2.6.2.1 Employees' Association Members – six (6) months.
  - 2.6.2.2 Professional Staff Under Individual Contract – one hundred and thirty (130) working days.
  - 2.6.2.3 Executive Team – as negotiated upon hire.
- 2.6.3 Employees may buy back this waiting/probation period of six months of service once enrolling in the plan. The cost and process for this will be discussed with the employee by payroll staff upon enrollment.

2.7 Pension Contributions on Leave of Absence

- 2.7.1 Employees on paid leave of absence will continue contributions to the pension plan.
- 2.7.2 Employees on unpaid leave of absence such as personal unpaid leave of absence, maternity/paternity leave of absence, long-term disability have the option of contributing. Employees may contribute during the leave, or buy back the service upon return to work or once the year end costing has been generated.
- 2.7.3 Employee and employer contributions continue while an employee is in receipt of WCB payments, but not in the case of a Lifetime WCB Pensioner.
- 2.7.4 Employer contributions for all combined leaves are limited to a lifetime maximum of one year. In excess of one year, the employee may buy back the service by paying both the employee and the employer contributions

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until the maximum leave period buybacks have occurred based on LAPP policy.

3. Participants cease accruing pension credit upon reaching thirty-five (35) years of service in ATRF or LAPP.

4. Supplementary Integrated Pension Plan (SiPP)

The registered Alberta School Boards Association (ASBA) SiPP supplements existing pension plans by providing a two percent (2%) benefit per year of service. It is a defined benefit plan.

4.1 Executive officers of the Board (Superintendent, Secretary-Treasurer and Deputy Superintendent) may be eligible to participate in SiPP as part of their total compensation.

5. Supplementary Executive Retirement Program (SERP)

5.1 The Division has established a Supplementary Executive Retirement Program (“SERP”) as an unfunded supplemental employee retirement plan under the Division’s direction and control pursuant to the terms and conditions under the Canada Revenue Agency (“CRA”) Advance Tax Ruling Document Number 2003-0042843. The SERP ensures that the total retirement benefit of specified individuals is consistent with the Supplemental Integrated Pension Plan (“SiPP”) benefit formula, but without reference to the limits imposed on registered pension plans by CRA.. The portion of the annual salary of the executive officers of the Board (Superintendent, Secretary-Treasurer, and Deputy Superintendent) that exceeds the capped yearly maximum pensionable earnings of the registered pension plans may be eligible for pension benefit and will be subject to contributions by the Division to the costs of providing the Supplementary Executive Retirement Program (SERP).The SERP ceases accruing at thirty-five (35) years of service under the ATRF or LAPP.

5.2 Superintendents, Secretary Treasurers, and Deputy Superintendents who have not yet reached the thirty-five (35) year service cap, which is related to the date they joined either the Alberta Teachers’ Retirement Fund (ATRF) or the Local Authorities Pension Plan (LAPP), are eligible to participate in the SERP.

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- 5.3 The liability of the Division for the pension benefit to participating executive members of the SERP will be limited to the calculated present value of the pension benefit at retirement/termination.
- 5.4 The Division may consent to the ear-marking of certain assets in respect of the SERP. Unless and until paid to a member, the ear-marked assets belong to the Division and are therefore available to the Division's general creditors.
- 5.5 The Third Party, Telus Health, provides actuarial standings for the SERP benefits, as well as guidance on processing SERP payment upon a member's retirement.
- 5.6 The pension benefits will be payable from the SERP at the earlier of the following scenarios:
  - 5.6.1 Upon termination of employment prior to attainment of age 55;
  - 5.6.2 Upon retirement from the Division on or following attainment of age 55;
  - 5.6.3 In the event of death while employed.
- 5.7 In the event a participating executive member dies prior to retirement, the surviving designated beneficiary will receive the benefit payment as per the terms of this administrative procedure.
- 5.8 The Division will pay out the benefit as follows:
  - 5.8.1 Over five years in annual payments when the benefits payable exceed twenty thousand dollars (\$20,000); annual payments will commence on the last day of January coincident with or following the date of termination, retirement, or death.
  - 5.8.2 Benefits payable of twenty thousand dollars (\$20,000) or less will be paid in one lump sum amount in January of the calendar year subsequent to retirement or death.
  - 5.8.3 The board reserves the right to amend this procedure and payout approach at any point in time.
- 5.9 Payments of SERP benefits to the participating members will be considered taxable income in the year the SERP benefit is paid.