



TOWN POLICY

ADMINISTRATION POLICY:

Pension, Benefits and Employee Participation

DEPARTMENT: Human Resources

POLICY NUMBER: HR-029

APPROVAL: 
APPROVED BY CAO
Jeff Shaw

EFFECTIVE DATE: February 14, 2017
SUPERSEDES: Policy #P-8
UP FOR REVIEW: November 23, 2022

Policy Statement:

The Town of Cardston wishes to provide a pension benefit for its Full-time and Part-time Permanent Employees through the Local Authorities Pension Plan (LAPP), administered by Alberta Pension Services (APS). The Town of Cardston also wishes to provide benefits for eligible Part-time Permanent Employees.

The purpose of this policy is to:

Set forth guidelines for employee participation in the Local Authorities Pension Plan (LAPP), what constitutes Pensionable Salary, and to set forth the calculation for benefits for Part-time Permanent Employees.

1) Definitions

- (a) "Employee Association Agreement" means
 - i An agreement between the Town of Cardston and the Town of Cardston Employee Association that governs the relationship between the Employer and Employee.
- (b) "Part-time Permanent Employee" means
 - i An employee who is employed to work a set number of hours per week on a part-time basis, with no determined end date.
- (c) "Pensionable Salary"
 - i According to the LAPP, pensionable salary is defined as, "Basic pay for the performance of regular duties that counts towards your pension. Overtime salary and bonuses are not pensionable salary".

2) Pension Plan

- (a) Pension contribution rates will be according to the current LAPP rates as set forth by Alberta Pension Services.
- (b) All full-time employees must participate in the LAPP program unless they fall under the "Excluded from Membership" section as found in the LAPP e-guide.





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- (c) Employee participation will commence after their probationary period of one year. If an employee has been working under a contract and then moves to full-time status, approval may be given for the probationary period to be waived if their contracted duties equaled or exceeded one year.
- (d) If a newly hired employee has previously participated in a pension program that has a reciprocal agreement with LAPP, that employee may immediately start contributing to the LAPP program.
- (e) Part-time permanent employees who work less than 30 hours but more than 14 hours per week have the option of participating in the LAPP program with the same contribution rates as full-time employees as outlined in the LAPP Act and Regulations.

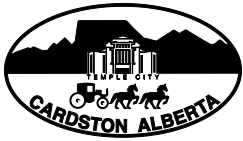
3) Pensionable Salary

- (a) A full-time employee's regular hours would be 7 hours/day, 35 hours/week or 8 hours/day, 40 hours/week, according to their individual job description or contract.
- (b) Pensionable salary is salary earned for the following classifications:
 - i Regular time – hours worked in the employee's regular shift as shown above.
 - ii Vacation time – paid vacations are granted as per the outline in the current Employee Association Contract and considered the same as regular time.
 - iii Personal leave – paid days that are granted as per the current Employee Association Contract and considered the same as regular time.
 - iv Sick time - days are earned and used as per the current Employee Association Contract and considered the same as regular time when used.
 - v Standby/Sunday Chores – this pay is eligible only if it is paid with each pay period on a regular basis.
 - vi Flex time/Time In Lieu – hours that have previously been worked to be used at a later date in the place of regular hours. They are considered regular hours for pension purposes.
- (c) Pay types that do not qualify:
 - i Lump sum payments (including Vacation pay-outs)
 - ii Overtime/Doubletime
- (d) For other regulations not stipulated in this policy, the Town of Cardston will follow the current LAPP Act and Regulations.

4) Health/Dental Participation Eligibility

- (a) Part-time permanent employees are to have the option of being on the Town of Cardston benefits plan which includes health care, dental, and vision care. The Town agrees to contribute to benefits according to the current Employee Association Agreement. The Town's contribution will be on a prorated basis according to the hours per week worked.





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- i** For example, the office staff full time work week is 35 hours. If a part-time permanent office employee is scheduled to work 20 hours per week, the Town would contribute 20/35 of the benefit premiums according to the Employee Association Agreement in effect at that time. The employee is responsible for the remaining portion of the premium.
- (b)** To be eligible for health care, dental and vision care, an employee must be employed for a minimum of 15 hours per week. To be eligible for Long Term Disability an employee must be employed a minimum of 20 hours per week.
- (c)** Benefit premiums are deducted from the employee semi-monthly with payroll as a prepayment for the next months' benefits. When an employee terminates, the employee will cease benefits as of the day of termination and they will not be entitled to a refund of their premiums as the Town is still billed for the full month.



