



PENSION FAQs

Here are some answers to AUPE members' frequently asked questions about pensions.

The UCP government has created a lot of uncertainty, including for AUPE members who are members of the Local Authorities Pension Plan (LAPP) and Public Service Pension Plan (PSPP). Your AUPE Pensions Committee is dedicated to providing members with updates on our pensions, including on how they may be affected by government policy. Here is a short FAQ list to help answer some of your questions.

Q: What should I know about my pension plan?

The LAPP and PSPP are defined benefit pension plans. This means when plan members retire their pension income is based on a formula. This formula is based on the number of years they paid into the plan and their average salary over the highest 5 consecutive years.

Defined benefit pension plans are stable sources of income, especially during times of economic uncertainty.

On the other hand, people with defined contribution pension plans have to make investment decisions and keep track of whether their plan is doing well enough so they don't run out of pension income.

Q: What is the role of LAPP and PSPP Plans in retirement?

Most members will have three income sources at retirement: LAPP or PSPP pension, Canada Pension Plan/Old Age Security, and RRSP savings.

Q: How are the pension plans doing?

Currently, LAPP and PSPP are strong and healthy pension plans with a great outlook for the future. Both Plans are fully funded and continue to offer the same great retirement benefits.

Pension benefits and contribution rates have not changed.

Currently, LAPP and PSPP Sponsor Boards have representatives from those who pay into the pension plans. They will continue to determine pension plans' rules, create funding policies and set contribution rates.

Q: What has the current government done to our pensions?

Bill 22 has unexpectedly removed administrative independence for the organizations that run your pensions, the Public Pension Plan Corporation and Local Authorities Pension Plan Corporation. Additionally, union representation on the LAPP Sponsor Board and Corporate Board is being reduced from two AUPE members to one.

Bill 22 took away LAPP and PSPP Corporations' ability to independently select service providers for investment or day-to-day administration. It also requires that the Alberta Investment Management Corporation (AIMCo) and Alberta Pensions Services Corporation (APSC) be the

permanent service providers for the pension plans, whether or not these organizations meet service level expectations.

Q: Do these changes affect Premier Jason Kenny directly?

No. Premier Kenney left federal politics at the young age of 48, but he was an MP long enough to have his eventual retirement covered by a generous defined benefit pension plan. Yet, he has spent much of his working life opposing public pension plans, and he has made it clear Albertans' retirement security is not his priority.

Rest assured, LAPP and PSPP are priorities for AUPE members and we will fight for what is yours, past, present and future.

Q: If I leave my job or am laid-off, what happens to my pension?

You have options. Those options will depend on how much membership or service you have and how old you are when you leave the Plan. A pension can be your biggest financial asset and your largest source of retirement income. You may want an independent financial advisor to help you make your decisions.

For more information, contact your pension plan at www.lapp.ca or www.pspp.ca, or Alberta Pension Services Corporation.

Q: How much can I expect to get from my pension?

You can estimate future pension income by using the pension tools on the LAPP and PSPP websites. You should also contact the APSC to learn more about your retirement options once you decide to retire.

Q: What if I pass away before my retirement?

Death pension benefits are dependent on the Plan member's age and how long the member paid into the pension. Pension payments are made based on whether the member is married or has a pension partner, and other factors like the member's estate plan.

Ultimately, you should contact the Alberta Pensions Services Corporation with any questions you have about your pension. Every person is different, so every pension is different. The APSC are the people who can answer questions with information specific to your unique situation.

You can visit the APSC website at www.apsc.ca for more information, or email your questions to memberservices@apsc.ca.

LAPP Members can call 1-877-649-5277 or visit www.lapp.ca
PSPP Members can call 1-877-453-1777 or visit www.pspp.ca



Pension Committee
ALBERTA UNION OF PROVINCIAL EMPLOYEES