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## Q2 Member Services Webinar

### **Retirement Process and Pension Overview**

## Retirement

- Process
- Considerations
- Union Support Available

## Pension

- Pension Presentation by 255 FSPP Board of Trustees



# Retirement Process

## Getting Started

Before you choose your **retirement date**, you should consult with your employer (City HR), the LAPP administrator (Alberta Pensions Services), the FSPP administrator (Lifeworks) and **your trusted Financial Advisor**.

This is a significant and lasting decision which requires careful planning and consideration. The City of Calgary suggests you begin this process **at least 4 months before your intended retirement date**.

Once you have determined the **optimal date** for your retirement, you should notify the City of Calgary (City HR) to begin the retirement process.

## What Constitutes an Optimal Retirement Date?

- Decide how to handle any accrued vacation and Retirement allowance [Art. 11.05/11.06]
- Last Day of Work and Last Day of Pay (discuss difference)
- Start date with the city [prior service]
- Subjective [Years of service, Health, Financial situation]
- Unique [Age, Family, Hobbies]



# Retirement Process Continued

After contacting City HR, they will send you your “Retirement Guide” which contains step by step instructions to help guide you through the retirement process as well as the relevant contact information.





## Retirement Process and Retiree Benefits



January 1, 2021

# I've decided to retire – what do I do?

Once you make the decision to retire from The City of Calgary, there are a series of steps you need to take. The steps provided below will tell you what to do at least four months prior to your intended date of retirement.

1. Decide how to handle any accrued vacation and the retirement allowance.
  - a. You may choose to have your accrued vacation taken as either:
    - i. Time off prior to your last day of pay, or;
    - ii. Cash payment on your last cheque, or;
    - iii. Transfer to your Registered Retirement Savings Plan (RRSP), or;
    - iv. Combination of the three choices above.
2. Contact your business unit's Pay Services Administrator to inform them of your decision. You can call **403-268-5800** to determine your pay services contact. This person will also help you complete a letter of retirement, which clearly states your last day of 'work' and your last day of 'pay'. Your retirement date is the day following your last day of pay.

**Note:** *The last day of 'work' and the last day of 'pay' are not always the same if, prior to retirement, you have been on vacation, Workers' Compensation Board (WCB), Sickness and Accident (S&A), or Long Term Disability (LTD).*
3. Complete the Intent to Retire form (P 924).
4. Obtain the required signatures on the Intent to Retire form and the letter of retirement. Forward the completed form and letter to your Pay Services Administrator.
5. A Retirement Analyst will contact you within 90 days of your retirement date to set up an appointment in order to finalize your pension application.
  - Government-issued ID for you and your pension partner will be required, such as a driver's licence or passport.

# Step by Step Process

1. Call **LAPP and FSPP** to confirm your employment dates and numbers
2. Call **Pay Services Administrator** (Charlene Jones Bastian) via **City HR line ((403)268-5800)**
3. Discuss Retirement date. How do you plan to allocate Accumulated Leave (Vacation) and Retirement Allowance? What you choose to do with your Accrued Time and Allowance will determine Last Day of Work and Last Day of Pay
4. Complete **Intent to Retire Form** (P924)
5. Complete **Retirement Letter**
6. Send Form and Letter to Chiefs Office ([sheilah.daniels@Calgary.ca](mailto:sheilah.daniels@Calgary.ca)) for **signatures**
7. Chiefs Office sends back to Pay Services Administrator (Charlene Jones Bastian)
8. Pay Services Administrator sends to **Retirement Analyst**
9. Retirement Analyst calls member within 90 days of retirement date to finalize **Pension Application** (LAPP Form LA21, FSPP Request and Consent to Release Information Form, Banking, Benefits and Beneficiary information)
10. LAPP/FSPP calculate members numbers and send them an **Option Package** to their home address

# Intent To Retire Form



## INTENT TO RETIRE

P 924 (R2018-05)

**TO BE COMPLETED WITH YOUR PAYROLL ADMINISTRATOR.**

To HR Support Services / Pensions (#8107PN)	Attention _____, Retirement Analyst
From Payroll Administrator	Business Unit Payroll

Attached is the original Letter of Retirement (authorized by the Designated Authority) for the following employee:

Employee Name	Employee ID	Phone Number (daytime) (     )
		Alternate Contact Number (     )

☐ I am taking commuted value



Prior to completing the following section, please note that the last day of work may not be the same as the last day of pay if the employee has been on S&A, WCB, LTD, Vacation, etc. between these two dates.

Last Day of Work YYYY      MM      DD			Last Day of Pay YYYY      MM      DD			Retirement Date (day following last day of pay)      YYYY      MM      DD		
Accumulated Leave Will Be <input type="checkbox"/> Paid Out <input type="checkbox"/> Taken as Time Prior to Last Day of Pay <input type="checkbox"/> Transferred to RRSP						On Last Day of Pay, in receipt of (check if applicable) <input type="checkbox"/> S&A <input type="checkbox"/> WCB <input type="checkbox"/> LTD <input type="checkbox"/> Vacation		
Retirement Allowance Will Be <input type="checkbox"/> Paid as Cash With Income Tax Deducted <input type="checkbox"/> Taken as Time Prior to Last Day of Pay <input type="checkbox"/> Transferred to R.R.S.P.						Retirees who have completed at least 10 years of service with The City are eligible to receive a retirement certificate and gift.  *The Human Resources Payroll Administrator will provide you with the Retirement Gift Options - Order Form. The form is also available on the Calgary Fire Department website.  *As per Administration Policy number: HR-035 (A)		

☐ **Dept ID:** Rehire Recommendation is satisfactory (If No, then Dept ID call 403-268-5800)



<p>This information is collected for the purposes of personnel management, payment and benefit administration, financial analysis and reporting. The information is collected under the Alberta Freedom of Information and Protection of Privacy Act, Section 33(c) and is protected by this Act. Information will be provided to companies under contract to provide the identified benefit coverage. If you have any questions about the use of the information on this form, contact the HR Support Services at 403-268-5800.</p>		
Employee Signature		Date YYYY                      MM                      DD
Business Unit Payroll Authorization	Phone Number (       )	Date YYYY                      MM                      DD
Designated Authority	Phone Number (       )	Date YYYY                      MM                      DD

Distribution:        Original - Payroll Administrator for Distribution

ISC: Protected



# Letter of Retirement Example

To Whom It May Concern

I \_\_\_\_\_ am writing you this letter to inform you of my decision to retire. My **last day of work** will be May 25<sup>th</sup> 2021. My **last day of pay** will be August 14<sup>th</sup> 2021.

Thank you

**Signed**

Member X

**Signed**

Chief Dongworth

# Retirement Analyst Initial Contact

> Hello xx,  
>  
> Congratulations on your upcoming retirement!  
>  
> I am attaching all the retiree benefits info plus forms, and also a  
> form each for LAPP and FSPP. Can you complete, scan and return to me?  
> Section 5 on the LAPP form will be 2021/08/15. There is a fillable  
> version of that form here if you prefer:  
> [https://urldefense.com/v3/\\_https://www.lapp.ca/assets/lapp/files/publications/forms/la21\\_retirement\\_application.pdf\\_\\_;!!JYTOG454!Ox3DuSVahhVvCabgmHQtFn9DO1Ah9\\_NwPx8IHpHM36sTGNFhUVYZigDirqQUgHkF9v35Tk\\$](https://urldefense.com/v3/_https://www.lapp.ca/assets/lapp/files/publications/forms/la21_retirement_application.pdf__;!!JYTOG454!Ox3DuSVahhVvCabgmHQtFn9DO1Ah9_NwPx8IHpHM36sTGNFhUVYZigDirqQUgHkF9v35Tk$)  
>

> LAPP/FSPP also require ID for yourself (and pension partner if applicable) such as a driving license or passport – a copy is fine, which you can also send to me. If you have a void cheque or printout of your banking details, we will need that for benefits and pension.

>  
> Please let me know if you have any questions. I would recommend starting with the pension forms so we can get those processes going, there is less of a rush on the benefits (Blue Cross) as we don't set those up until you retire.

> Thank you,  
> Susan Warcholak  
> Retirement Analyst  
> HR Pay and Client Services | Mail Code 8107PN T 403 268-1886 | F 403  
> 268-2341 | <http://www.calgary.ca>  
> The City of Calgary, Floor 10, 800 Macleod Trail S.E.  
> P.O. Box 2100, Station M, Calgary, AB Canada T2P 2M5 ISC Confidential

 Calgary Fire Departmen... 67 KB	 FSPP Request and Cons... 20 KB
 LAPP_21_Retirement_A... 68 KB	 P 943 Beneficiary Desig... 130 KB
 P 996A.pdf 168 KB	 p997preauthorizeddebi... 609 KB





# Calgary Fire Department – Retiree Information

**Congratulations on your retirement from The Calgary Fire Department!**

**Please read this bulletin in its entirety to ensure you are aware of services and the timelines for processing your retirement documents, receiving your Pension Options package, and your monthly pension deposit.**

Your Pay Services representative will be processing your documents **immediately, via courier**. This applies for both the Local Authorities Pension Plan (LAPP) and the Fire Supplementary Pension Plan (FSPP).

## Approximate Timelines

- You will receive your pension options package in 4-6 weeks once Alberta Pensions Services (LAPP) and Morneau Shepell (FSPP) have received your pension application documents from The City of Calgary. These are the forms that you filled out with your Pay Services representative.
- Your pension options package will be mailed to your home address. Once you receive your pension options package, you have **60 days** to make your pension options choice and return the forms to your pension provider, Alberta Pensions Services for LAPP, and Morneau Shepell for FSPP.
- Once the forms are received by the pension providers, you can expect to receive your first pension deposit in approximately 4 weeks.

## Contact Information

- After you have met with your Pay Services representative, **all pension inquiries** should be directed to:
  - For LAPP – contact Alberta Pensions Services at 1-877-649-5277
  - For FSPP – contact Morneau Shepell at 1-877-351-5911



FOR OFFICE USE ONLY	
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LDOP	

## APPLICATION & SELECTION OF RETIREE BENEFIT COVERAGE – FIREFIGHTERS

This form must be completed prior to the last day of employment.

F 966A (R2018-09)

Employee Surname	Given Name	Employee ID	Social Insurance Number	
Date of Birth (YYYY-MM-DD)	Home Telephone	Home Email		
( )				
Current Street Address	City/Town	Province	Postal Code	
Pension Selection Made				
I selected the following pension option (check one): (1) Monthly Pension <input type="checkbox"/> Firefighter Supplementary Pension Plan <input type="checkbox"/> Local Authorities Pension Plan OR (2) Commuted Value <input type="checkbox"/>				
Selection of Benefits				
I select the following benefits under the Retiree Benefit Plan (initial your option). Please ensure each plan is either selected or declined. Note: Couple is Retiree + 1 dependent and Family is Retiree + 2 or more dependents. Couple and Family premium amounts are the same.				
Please initial	Single	SELECT Couple	Family	DECLINE
1. Dental Plan				
2. Extended Health Plan				
3. Basic Group Life Insurance	½ x pay	1 x pay	1½ x pay	2 x pay
If Group Life Insurance selected, please complete Beneficiary Designation for Self-Administered Plans form.				
Spouse/Dependent Information				
The following dependents (spouse & children) should be covered under the Extended Health and Dental plans (if selected):				
Surname	Given Name	Relationship	Date of Birth (YYYY-MM-DD)	

### The following conditions apply to all Retiree Benefit Plans.

- In order to continue to participate and be eligible for benefits from the Extended Health Care Plan, Dental Care Plan and Basic Life Insurance, you must be under the age of 65 and reside in Canada.
- If you decline any of the retiree benefits now or in the future you or your spouse cannot reapply for them.
- Please complete the enclosed Pre-Authorized Debit (PAD) agreement for automatic bank account withdrawal and attach a VOID cheque.
- Optional Group Life Insurance for you or your spouse terminates at retirement and is not available under the Retiree Benefit Plan. You must contact Sun Life personally within 31 days of termination for conversion options.

I acknowledge that I have made these benefit selections, that I understand the applicable conditions, and that I authorize the required premiums.

Employee Signature	Date (YYYY-MM-DD)

This information is collected for the purposes of personnel management, payment and benefit administration, financial analysis, and reporting. This information is collected under the Freedom of Information and Protection of Privacy Act, Section 33(c) and is protected by this Act. Information will be provided to companies under contract to provide the identified benefit coverage. If you have any questions about the use of the information on this form, contact HR Support Services at 403-268-5800.

ISC: Confidential





Use this form to apply to begin receiving your LAPP pension. To avoid delays, submit this completed form **90 days before you would like your pension to commence** (retirement date). If you are applying for a disability pension, contact your employer or visit [www.lapp.ca](http://www.lapp.ca) to obtain a *Disability Retirement Benefits Application Form*.

Please complete the information on this form and send it to:

LAPP, c/o Alberta Pensions Services Corporation (APS), 5103 Windermere Blvd. SW, Edmonton, AB T6W 0S9. Fax: 780-421-1652

## 1. Member Information

member first name member middle name member last name

member social insurance number

member address member address effective date (YYYY/MM/DD)

city, town, village, etc. province postal code

## Definition of Pension Partner

“Pension Partner” means

- (i) a person who, at the relevant time, was married to a participant or former participant and had not been living separate and apart from him or her for 3 or more consecutive years, or
- (ii) if there is no person to whom subclause (i) applies, a person who, as at and up to the relevant time, had lived with the participant or former participant in a conjugal relationship
  - (A) for a continuous period of at least 3 years, or
  - (B) of some permanence, if there is a child of the relationship by birth or adoption;

Persons are living separate and apart

- (a) if they are living apart and either of them has the intention to live separate and apart from the other, or
- (b) if, before the relevant time,
  - (i) they had been living separate and apart for any period, and
  - (ii) that period was interrupted or terminated by reason only that either of them became incapable of continuing to live separate and apart or of forming or having the intention to continue to live separate and apart of that person's own volition, and the separation would probably have continued if that person had not become so incapable.

If you are not certain how the definition of pension partner applies to you, please contact the Member Services Centre at 1-877-649-LAPP (5277).

## 2. According to the definition above, I have a pension partner on the date that I am completing this form (please check one):

- ☐ **YES** → If YES, please complete section 3. *Pension Partner Information*
- ☐ **NO** → If NO, please skip to section 4. *Buyback Service in Pay*

## 3. Pension Partner Information

pension partner's first name pension partner's middle name pension partner's last name

pension partner's date of birth (YYYY/MM/DD) marital status (married/common law)

Please check one:  
☐ female ☐ male

## 4. Buyback Service in Pay

If you are currently paying for buyback service, do you plan to complete your buyback payments?

- ☐ Yes, I will complete my buyback payments.
- ☐ No, I will not complete my buyback payments. Please prorate my service.

If you are currently paying for buyback service, you must complete payment in full within 90 days of your termination date or you will only receive a partial credit of buyback service based on what you paid.

## 5. Pension Commencement Date

I want my pension to start on:

date (YYYY/MM/DD)

If the date you give is before you stop participating in the Plan, or before LAPP receives your application, your commencement will be adjusted to the closest possible date. We will send you a **Retirement Benefit Statement** with your pension options. This statement will show the commencement date used to calculate those options.

## 6. Member Authorization

The information on this form is, to the best of my knowledge and belief, complete and accurate.

member's signature member's name (please print)

**This is an official record that must be signed to be valid.** Mailing and fax information is at the top of page 1. Keep a copy of the completed form for your records. If you have questions, please contact the Member Services Centre, toll free at 1-877-649-LAPP (5277).

**The following section must be completed by your employer unless you are applying for a deferred retirement (meaning you previously left your funds with LAPP).**

## 7. Employer Use Only

employer name employer number member's termination date (YYYY/MM/DD) (last day paid by employer)

name of authorized person (please print) phone number ext.

signature of authorized person date (YYYY/MM/DD)



## Request And Consent To Release Information

Calgary Firefighters  
Supplementary Pension Plan

### Part I: Member Identification (Please print clearly in the spaces provided)

\_\_\_\_\_  
(First Name)

\_\_\_\_\_  
(Middle Name or Initial)

\_\_\_\_\_  
(Last Name)

\_\_\_\_\_  
(Social Insurance Number)

\_\_\_\_\_  
(Contact Phone Number)

## Part II: Request and Consent to Release Information.

By signing this form, I hereby request and consent to the release of my personal information by Alberta Pensions Services Corporation (APS) (the Local Authorities Pension Plan (LAPP) administrator) to the delegated administrator of the Calgary Firefighters Supplementary Pension Plan (FSPP), which is currently Mercer (Canada) Limited (the “FSPP Administrator”).

For purposes of verifying my FSPP data currently on file, this Request and Consent to Release Information hereby authorizes APS to immediately release to Mercer my:

- pensionable earnings history by year;
- pensionable service accrued by year, broken down into the following categories:
  - current service,
  - prior service paid on a contribution basis,
  - prior service paid on an actuarial reserve (AR) basis,
  - leave of absence service where employee pays employee portion of contributions only,
  - leave of absence service where employee pays employee and employer portion of contributions, and
  - any other category of service applicable;
- date of birth;
- date of hire;
- date of commencement in pension plan;
- pension partner date of birth; and
- any other information necessary to verify my pensionable history under the FSPP.

For purposes of calculating and finalizing my FSPP pension upon my future termination or retirement, this Request and Consent to Release Information hereby authorizes APS to release the data noted above plus the following upon my termination or retirement:

- pension choice under LAPP;
- amounts payable under all options available to me under LAPP upon my retirement irrespective of my actual choice under the plan;
- verification of my LAPP commuted value (if applicable), including amounts payable in cash; and
- any other information necessary to calculate my FSPP benefits.



## Request And Consent To Release Information

Calgary Firefighters  
Supplementary Pension Plan

This authorization extends to any benefit recalculation that may occur as a result of any adjustments to pensionable service or salary that may be reported subsequent to my termination.

This information will be used by Mercer solely for the purpose of establishing my benefit entitlement under the FSPP.

I understand it is my responsibility to advise APS of any restrictions or covenants that are to be attached to any information requested by the FSPP Administrator. In the event of revocation of this release and consent, I further acknowledge responsibility to provide written notification to both APS and the FSPP Administrator.

If you have any questions, please call the FSPP Administration Centre at 1-877-351-5911.

\_\_\_\_\_  
Member Signature

\_\_\_\_\_  
Date Signed

### Part III: Return completed form to:

The City of Calgary  
Pay Services #154  
P.O. Box 2100, Station M  
Calgary, AB T2P 2M5

# Retirement Considerations

## Retirement Benefit Plan

- Prior to retirement you will have to decide what kind of benefit plan you would like and from whom. This includes **Prescription Drug, Extended Health and Dental** benefits as well as **Life Insurance**
- The City offers an **optional benefits plan** to Pensioners that acts as a bridge between early retirement and access to Government benefits at age 65 or for a maximum of ten years. Whichever comes first
- The application is sent to you by your Retirement Analyst. Opting in or out is entirely optional. They will go over this with you

## Choosing your Pension Plan

- Pension overview up next



# Pension Administrator Contact Information

## City HR (403) 268 - 5800

Consulting your personal financial advisor will help you plan for the financial aspects of retirement. [Additional financial advice is available Through The City of Calgary – Employee and Family Assistance Program \(EFAP\)](#)

## LAPP (877) 649 - 5277

The LAPP Corporation has a lot of excellent information on their website, [LAPP.ca](#)  
(LAPP administrator is Alberta Pensions Services)

## FSPP (877) 351 - 5911

The Calgary Firefighters Supplementary Pension Plan (FSPP) has additional information on their website at [FSPP.ca](#)  
(FSPP administrator is Lifeworks)

# Union Support Available

## Annual Pension Information Presentation

- Generally in late May
- Presentation by Mercer (Defined Benefit Pension Experts? )

## Pension Trustees

- Tristan Shanks Ph.# (403) 615 - 0552
- Andrew Cutforth Ph.# (403) 464 - 2420
- Jamie Blayney Ph.# (403) 466 - 0463

## Local 255 Member Services Executives

- Rob Miller Ph.# (403) 969 - 1879
- Royal Slade Ph.# (403) 682 - 9807
- Marco Ficaccio Ph.# (403) 819 - 4422
- Greg Peter Ph.# (403) 862 - 5749





# End of Retire Process Overview. Questions?







# Pensions 101 for L255 Members

## Our Pension Plans

Calgary

# Why Do We Need a Good Pension Plan?

There are basically three types of sources you might have for retirement income:


1. A pension you receive from an employer, if available (LAPP/FSPP)
2. Modest retirement benefits provided to you by the government (CPP/OAS)
3. Your own savings that you accumulate over time (RRSP/TFSA/Other)





# Pension Plan Participation

- Calgary Firefighters participate in 2 separate pension plans:
  - The Local Authorities Pension Plan or “LAPP”, and
  - The Calgary Firefighters Supplementary Pension Plan or “FSPP”



## Why Do Local 255 Members Have Two Plans?

- **LAPP**

- Public sector pension plan for municipalities, health sector, and others
- City of Calgary is a participating employer
- Common benefits for all participating employees – **this is our base plan**
- No ability to customize benefits for different segments of an employer's workforce – this is why we need our FSPP

- **FSPP**

- Pension plan that is **supplementary to LAPP that adds extra coverage**
- Only participants are City of Calgary Firefighters
- Through collective bargaining process, provides customized benefits that recognizes the specific needs of the firefighters

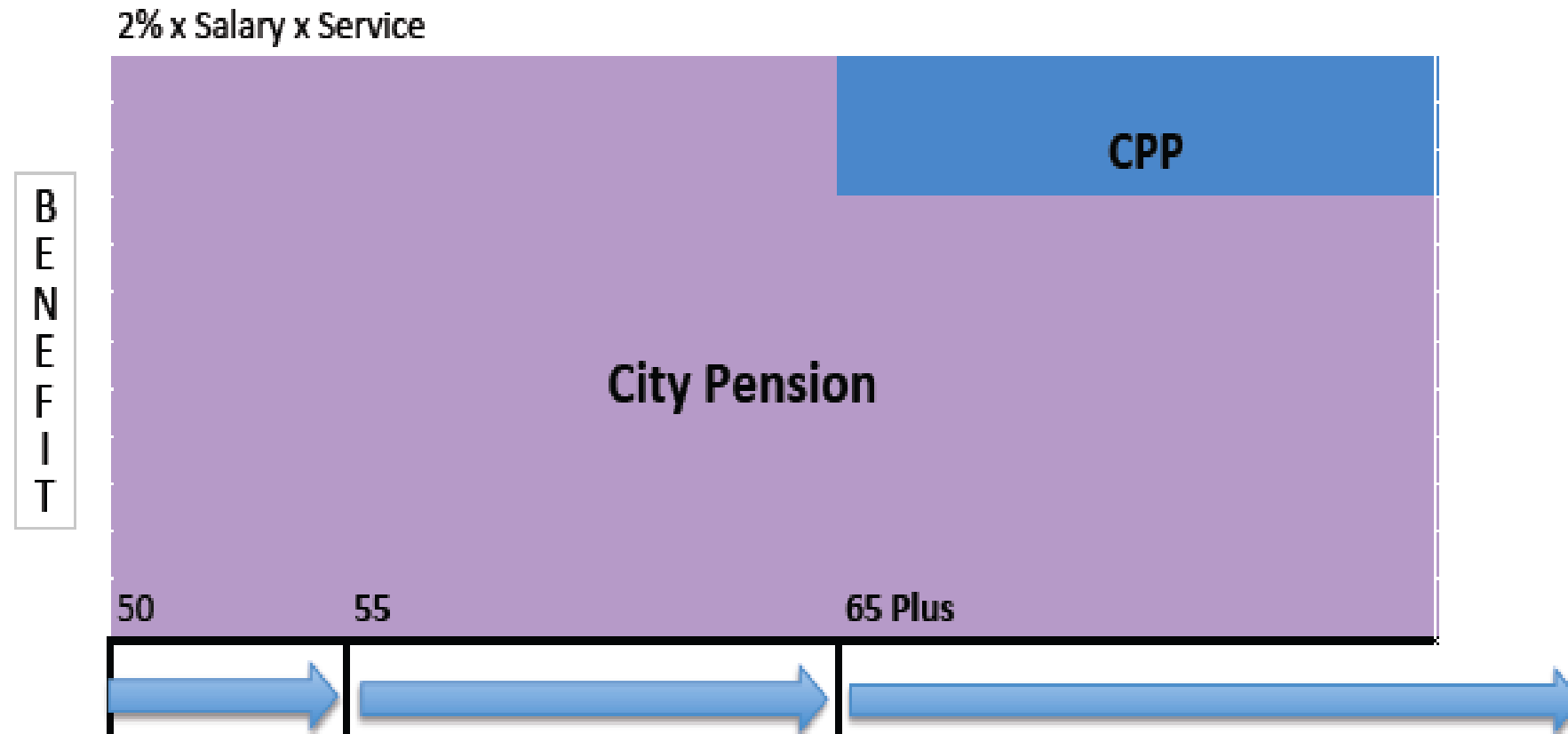


## Why Do We Care About the Structure?

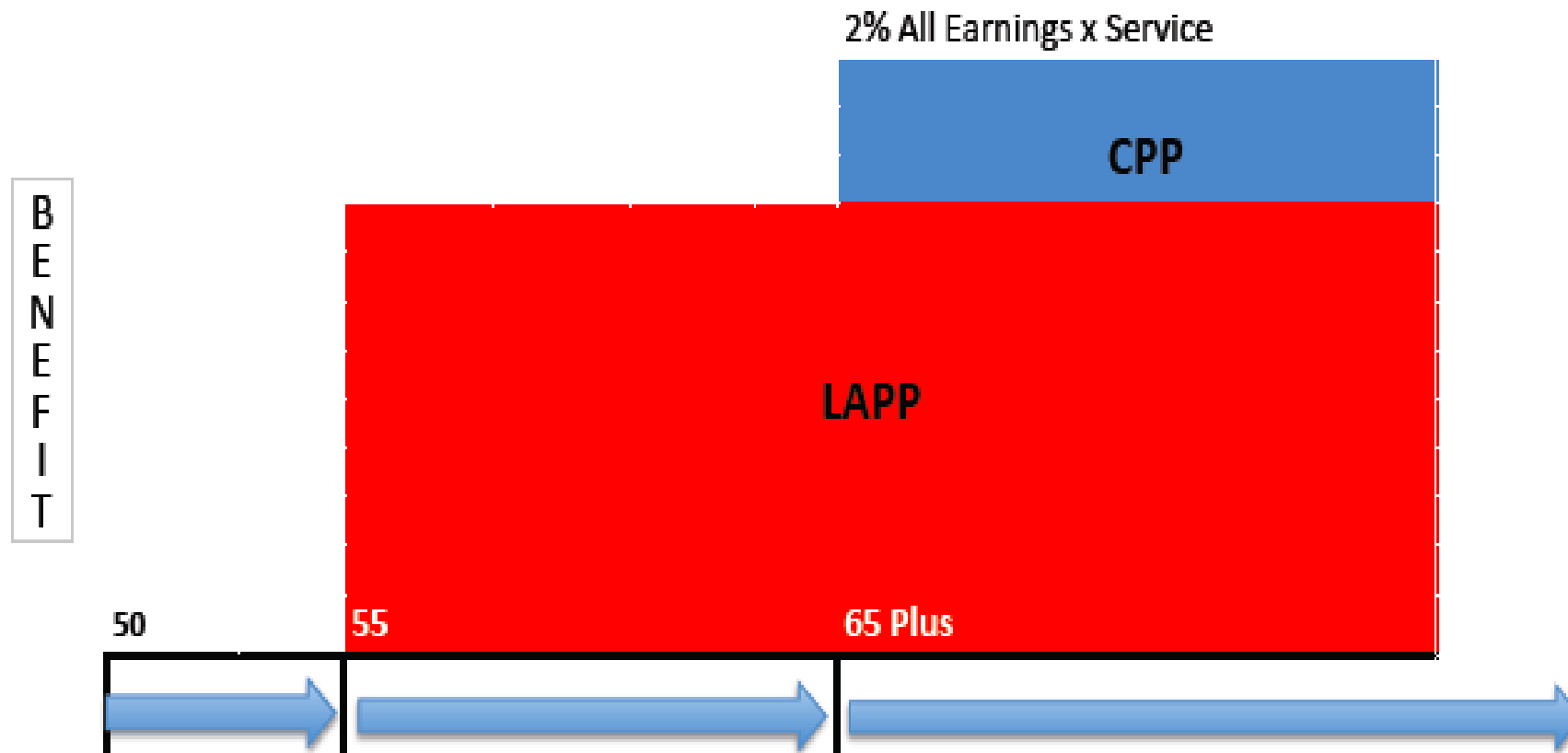
- LAPP and FSPP are separate pension plans:
  - They have different benefits
  - They have different contribution requirements
  - *Due to privacy rules, the FSPP administrator does not have access to LAPP pension data*
- The administration of the FSPP is therefore separate from LAPP
- This means that Calgary Firefighters must deal separately with two different pension administrators\*

\*Important - remember, you must deal with both administrators

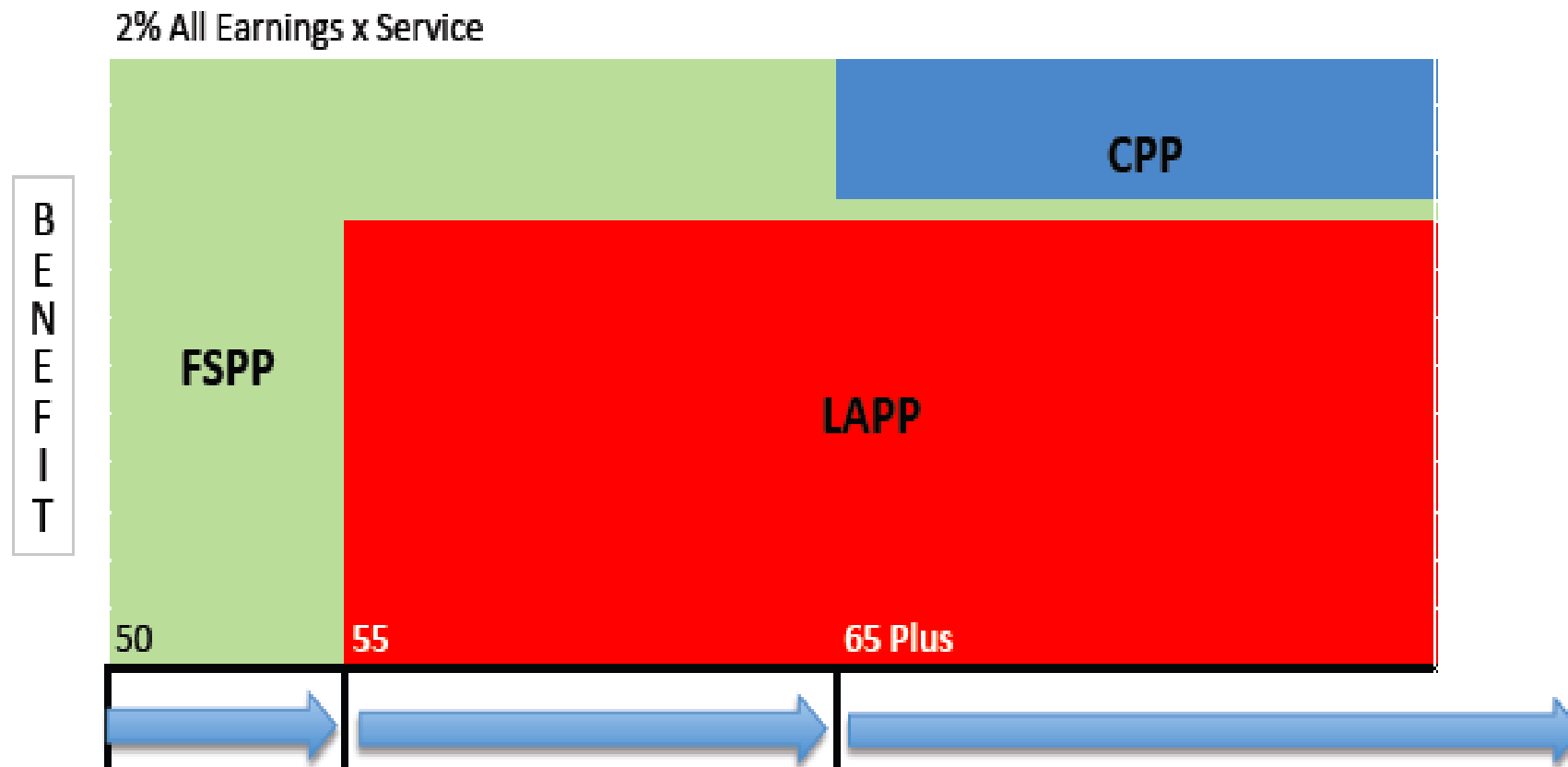
# History of the FSPP (Prior to 1974)



# History of the FSPP (where the City wanted to go)



# History of the FSPP (after the 1974 arbitration)



# Plan Overview





## Defined Benefits

- **Both LAPP and FSPP are DB pension plans**
- This means that when you retire, the amount of pension that you will receive is determined by a formula
- The formula is based on
  - The average of your highest five consecutive years of pensionable salary, and
  - Your years of pensionable service
- The pension is paid for your life, ***regardless of investment returns***





# Contributions

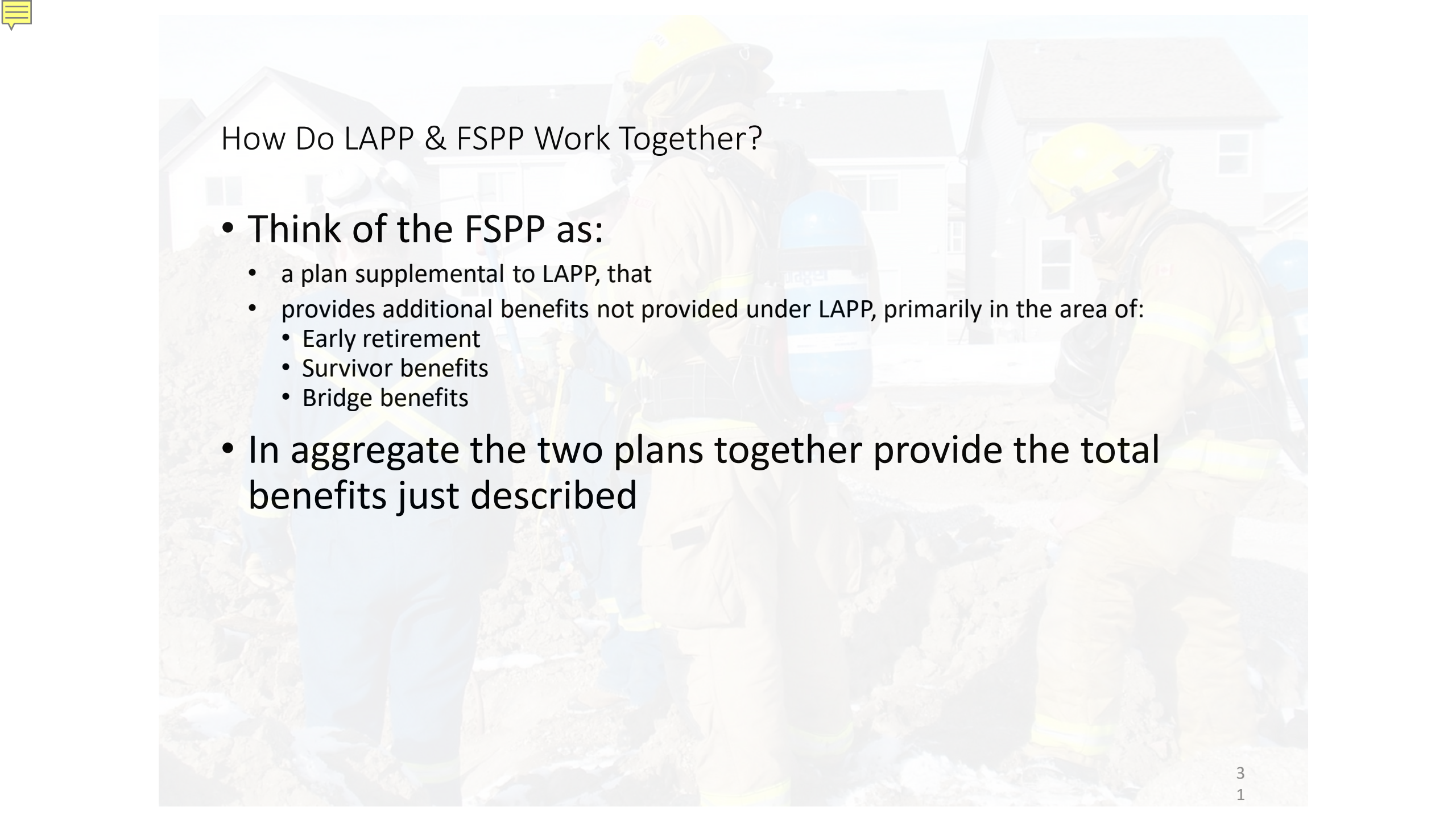
- Both you and the City of Calgary, as your employer, are required to pay contributions into LAPP and FSPP
  - For LAPP, the City of Calgary pays 1% of pay more than firefighters
  - For FSPP, the City of Calgary pays 55% and firefighters pay 45% of the total cost
- Your pension contributions are tax deductible to you

7 8 2008

A background image showing firefighters in yellow protective gear working in a snowy environment. The image is faded to serve as a backdrop for the text and table.

# 2021 Contribution Rates

	LAPP		FSPP	
	Employee	Employer	Employee	Employer
Total Contribution Rate	9.58%	10.58%	2.32%	2.83%

A faded background image showing several firefighters in full protective gear, including helmets and oxygen tanks, working at a scene with debris and residential buildings in the background.

## How Do LAPP & FSPP Work Together?

- **Think of the FSPP as:**

- a plan supplemental to LAPP, that
- provides additional benefits not provided under LAPP, primarily in the area of:
  - Early retirement
  - Survivor benefits
  - Bridge benefits

- **In aggregate the two plans together provide the total benefits just described**



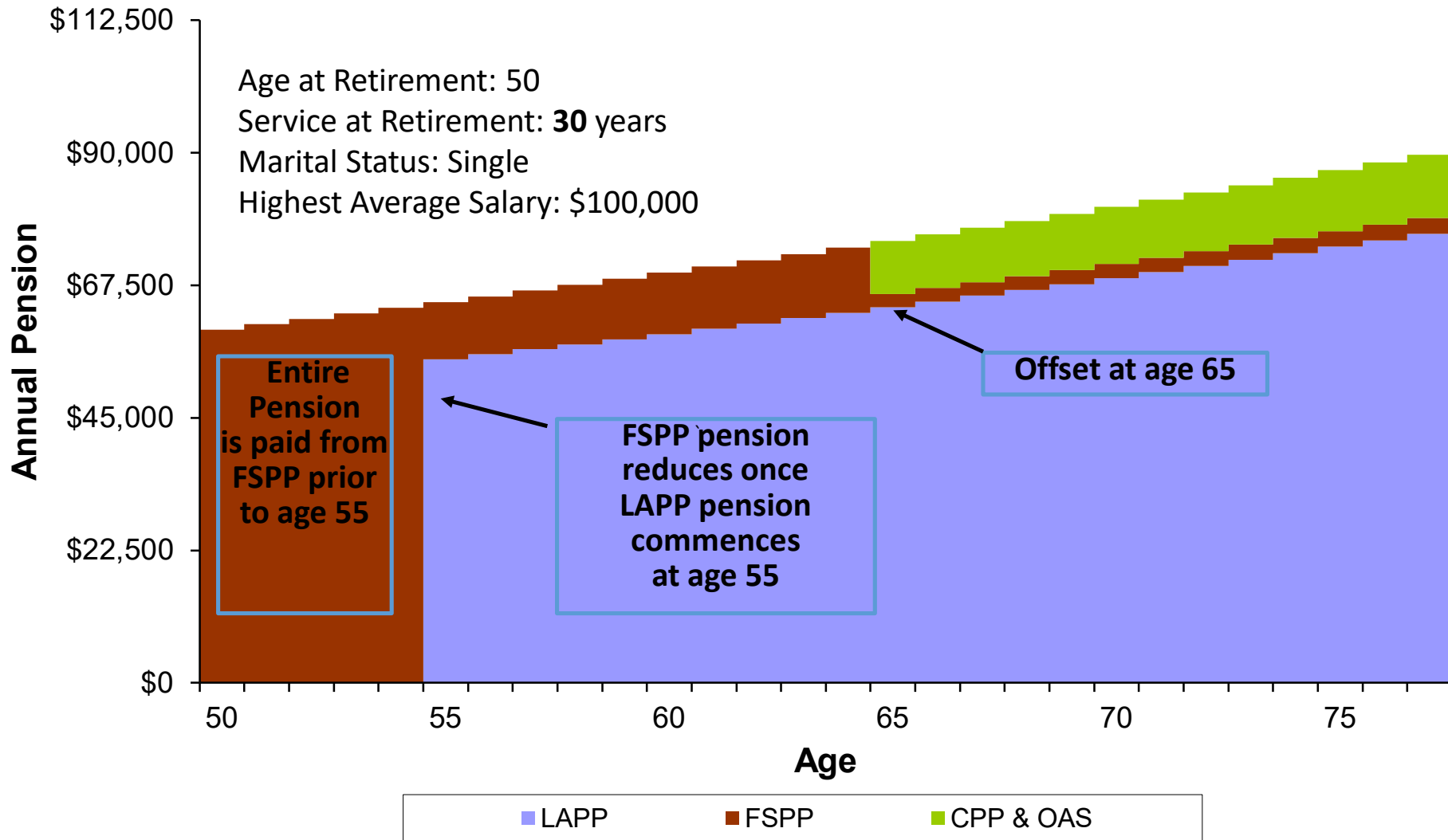


# Retirement Eligibility Under LAPP

- In LAPP you can retire if you
  - Have reached age 55
- You cannot start your LAPP pension before age 55
- You are entitled to an unreduced pension under LAPP if
  - Your age plus LAPP pensionable service totals 85 (“85 Factor”)
  - For example, a member who starts with CFD at 25 years old, and retires at age 55, will have 30 years of service. So, 55 (age) + 30 (service) = 85
  - If you’re under the “85 factor”, your pension benefit is reduced under LAPP
  - This is where our FSPP can “supplement” our pension!

# How Do LAPP & FSPP Work Together?

Single Member – Unreduced in LAPP AND FSPP



## What If You Want to Retire Before 30 Years of Service?

- If you don't have 30 years of service, you can retire under FSPP with no early retirement reduction provided you are at least age 55
- If you have less than 30 years of service, you may have less than 85 points under LAPP, depending on your retirement age
  - For example, if you have 27 years of service and are age 55, you will have 82 points under LAPP
  - If you have 27 years of service and are age 58, you will have 85 points under LAPP
- **If you have less than 85 points under LAPP and retire on or after age 55 under FSPP, the FSPP plan will “pick up” any reduction under LAPP to ensure that when both plans are added together, you still have an unreduced pension**



# FSPF Forms of Pension

## Single Member

- If you don't have a spouse (Pension Partner), the normal form of pension under both LAPP and FSPF is a lifetime pension to you, with a guarantee of 5 years
  - A guarantee of 5 years means that if you die before receiving 5 years of payments, the balance of the 5 years will be paid
- You can elect other single life optional forms, on an actuarial equivalent basis
  - Life only (increases your benefit, but only while you're alive)
  - Longer guarantee periods (10 and 15 years - will decrease your benefit, but guaranteed for a longer period)

## FSPP Forms of Pension

### Member With a Spouse (Pension Partner)

- If you have a spouse (Pension Partner), the normal form of pension under FSPP provides for a spousal pension of 65% should you die and your spouse is still living:
  - To get this normal form under FSPP, you must elect the Joint Reducing by 1/3 form of pension under LAPP
  - This LAPP optional form reduces by 1/3 on the earlier of your death, or your spouse's death
    - **If your spouse predeceases you and you elected the LAPP Joint Life Reducing by 1/3 form, your LAPP pension will reduce (even though you are still living)**
    - **FSPP will then provide an additional top up benefit to ensure that your lifetime pension is not impacted by your spouse's death**
- The normal form of pension also provides a 5 year guarantee



## FSPP Forms of Pension

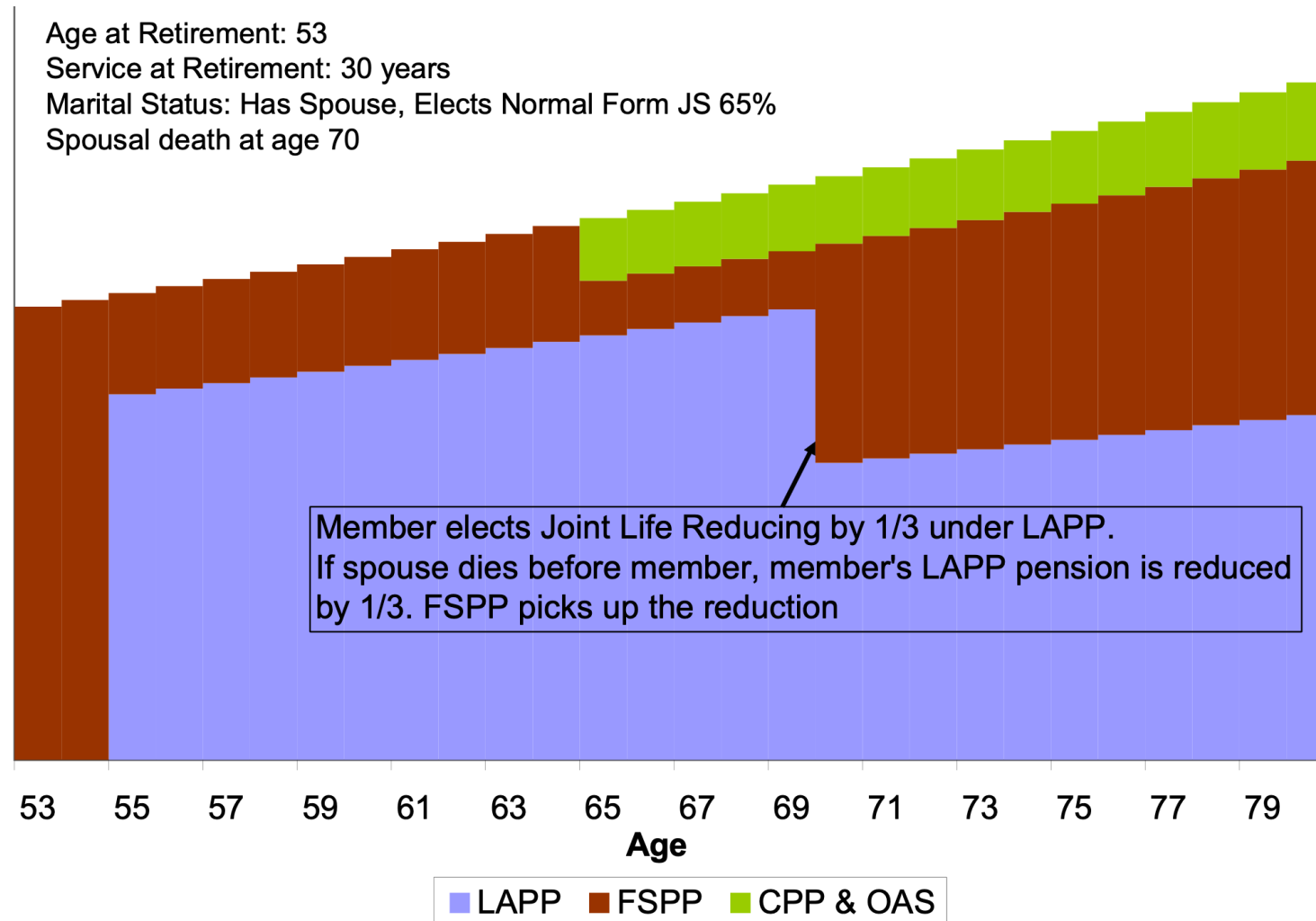
### Other Option for Member With a Spouse

- You may also elect an optional form under both FSPP and LAPP that provides for a 100% survivor pension
  - You must elect this same form in both FSPP and LAPP
  - Your FSPP pension will be adjusted so that it has the same actuarial value as the normal form pension
  - Similar to the guarantee, you “pay” for the extra survivor pension by taking a reduced lifetime pension

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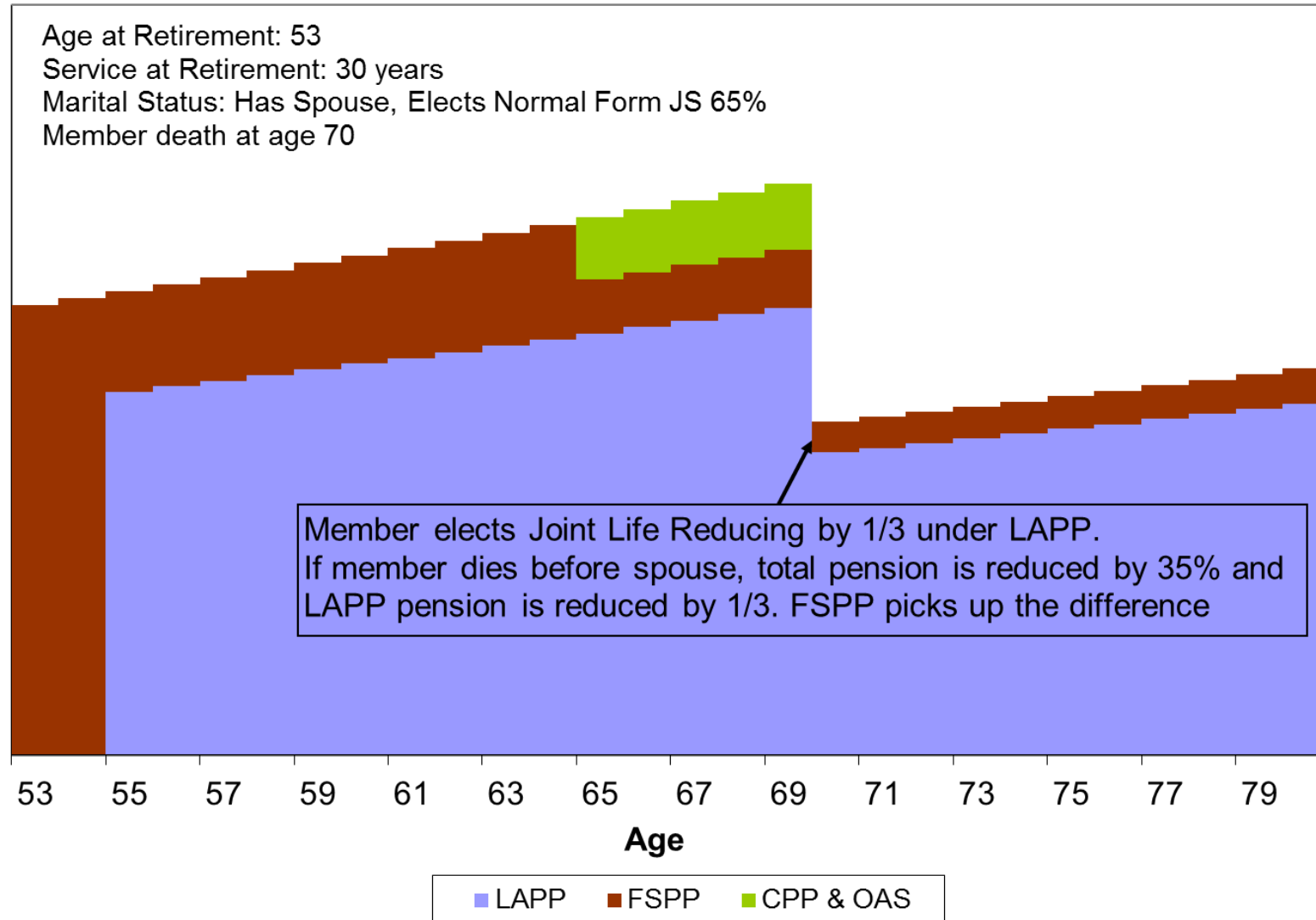
# How Do LAPP & FSPP Work Together?

Normal Form Pension is Chosen and Spouse Dies First



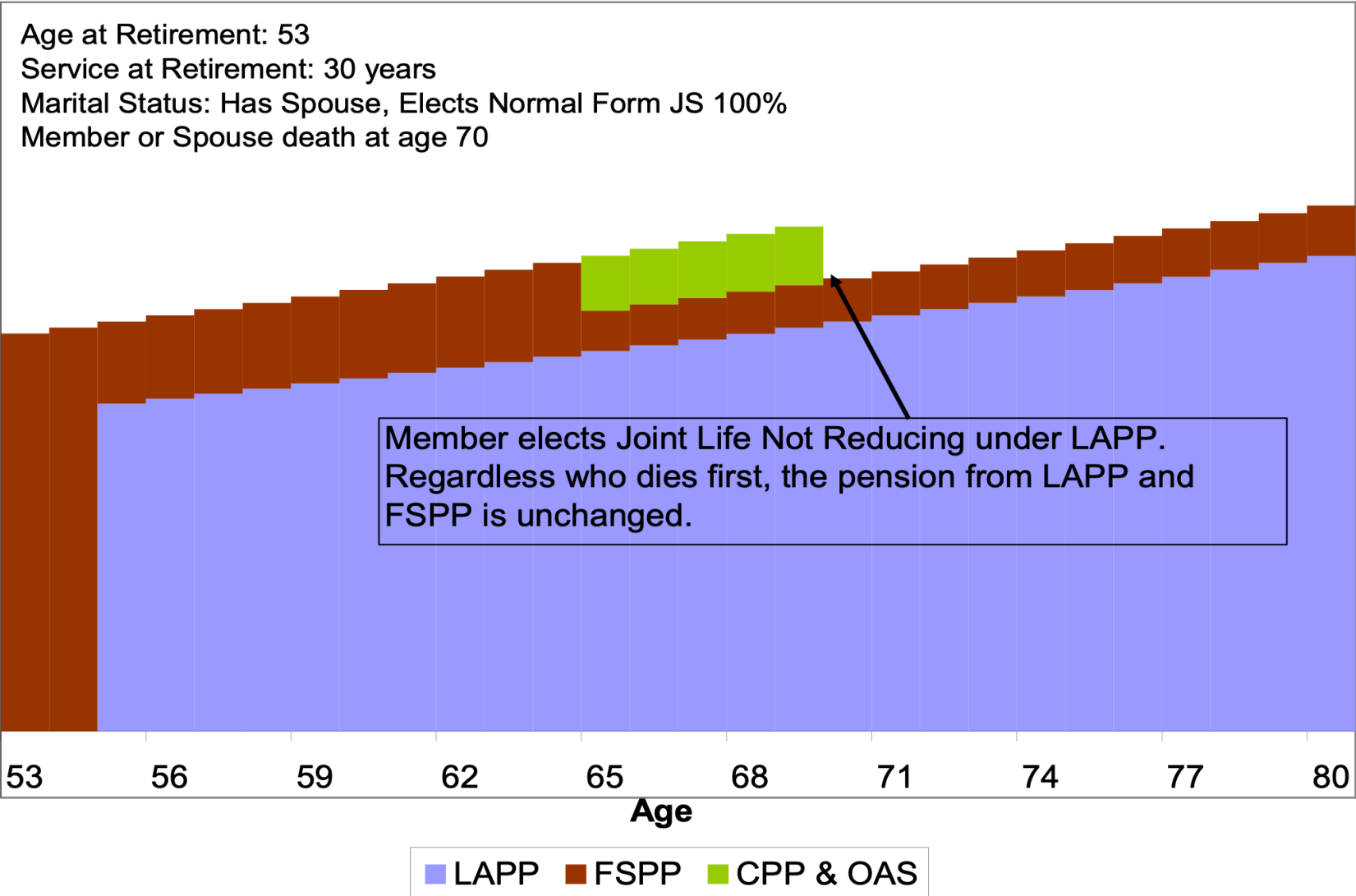
# How Do LAPP & FSPP Work Together?

Normal Form Pension is Chosen and Member Dies First



# How Do LAPP & FSPP Work Together?

J&S Pension Without Reduction is Chosen  
Spouse or Member Dies First



# Termination Benefits

- If you terminate employment but you are not eligible to retire, you will have a choice between a deferred pension or a transfer of value from the plan
  - The transfer is referred to as a commuted value
- Most of the time, all or a portion of the FSPP commuted value must be paid in cash, subject to immediate tax withholding
  - This is because the tax authorities restrict the amount of commuted value payments from pension plans and most of your available tax sheltering room is used up under LAPP
- You cannot elect a transfer if you terminate after age 50





# Pre-Retirement Death Benefits

- From date of hire, Local 255 Members have immediate survivor pensions available (65% to your surviving spouse and either 10% or 15% to any dependent children (15% if there is no spouse))
  - In this case, the immediate pension is based on service projected to your age 60
  - The commuted value of the total benefit payable will not be less than the commuted value that you would have been entitled to had you terminated employment immediately prior to death
  - Your spouse or, if there is no spouse, your beneficiary, may elect to receive the commuted value that you would have been entitled to had you terminated employment immediately prior to death.

# Purchasing Prior Service



# Prior Service

- Prior service is eligible service with another employer prior to joining the plan or service with the City of Calgary prior to becoming a Firefighter
  - If you worked with the City of Calgary or another LAPP employer before becoming a Firefighter, you may already have service in LAPP. This is not prior service in LAPP (you already have it), but is eligible prior service in FSPP
- In order to have prior service be credited as pensionable service in FSPP, you must purchase the prior service in FSPP
  - Purchasing service in LAPP does not mean you have purchased the service in FSPP
  - You must separately purchase the service in FSPP
- **Any prior service purchased in LAPP must also be purchased in FSPP**

A group of soccer players in blue and red uniforms are celebrating on a grass field. They are huddled together, some with their arms around each other, and one player is holding a trophy. The background is a blurred green field.

# Purchase of Service Payment Options

- You may have a choice to pay for your purchased service in instalments, rather than an immediate lump sum
- The longest instalment payment period is the earlier of:
  - The period of service you are purchasing
  - Your age 60
  - 15 years
- You will be given your payment options when you request a purchase of service calculation
- Instalment payments must be set up with the City of Calgary as payroll deductions

# Retirement Process



# Retirement Process

- Before you choose your retirement date, you should consult with your employer (HR), the LAPP administrator (Alberta Pensions Services), the FSPP administrator (Morneau Shepell) and your trusted Financial Professional. This is a significant and lasting decision which requires careful planning and consideration
- Once you have determined the optimal date for your retirement, you should notify the City of Calgary (HR) to begin the retirement process
- The City of Calgary will notify the FSPP administrator of your decision to retire and they will prepare and mail a retirement option statement, listing all FSPP payment options available to you
- You will receive a separate communication from APS regarding your LAPP options



# End of Pension Overview. Questions?

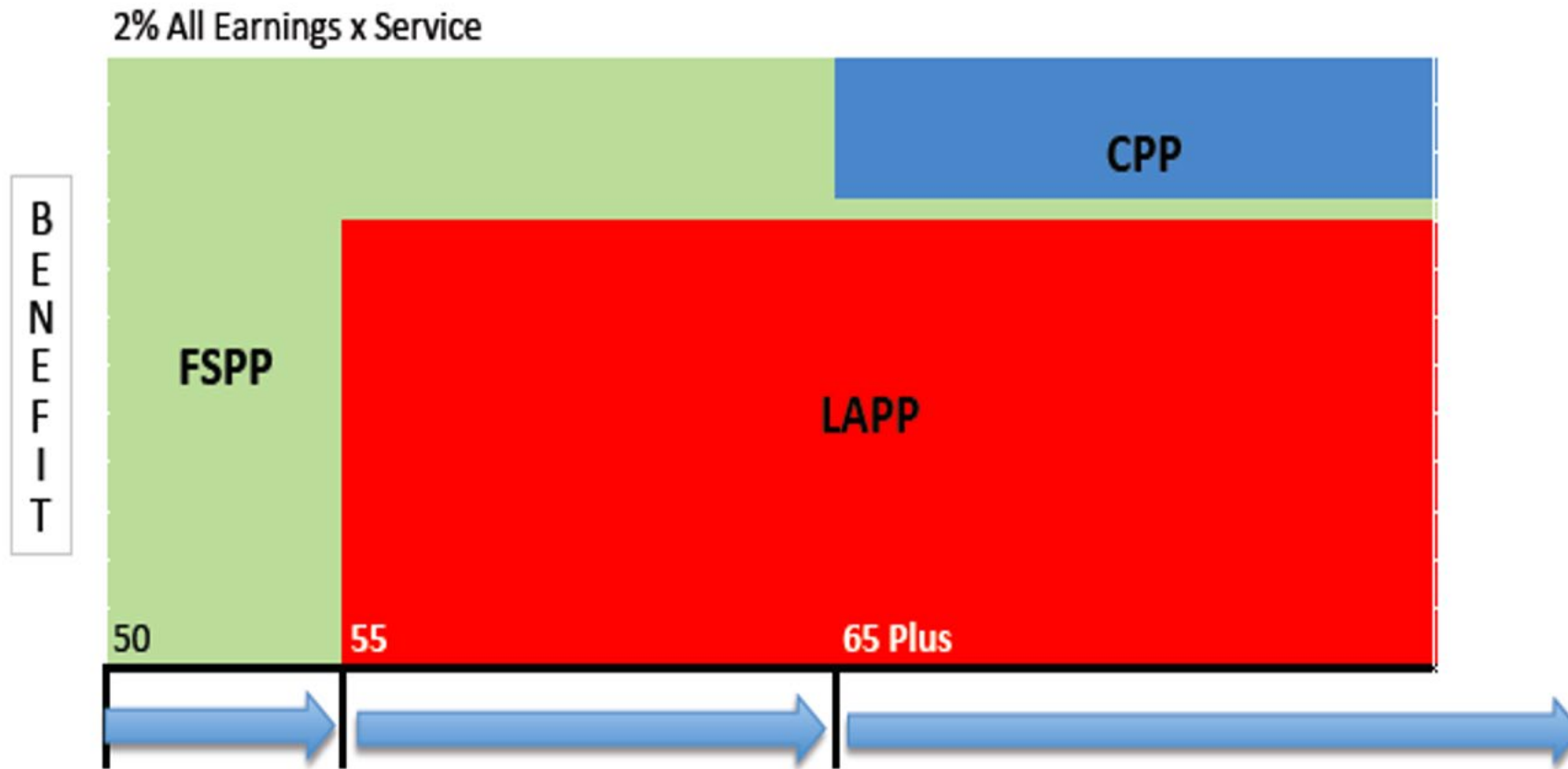


# What Makes Up Your Pension?

- **LAPP** (Local Authorities Pension Plan)
  - **FSPP** (Fire Supplemental Pension Plan)
  - **CPP** (Canada Pension Plan)
- 
- Both **LAPP** and **FSPP** are **DB pension plans**
  - This means that when you retire, the amount of pension that you will receive is determined by a formula
  - The formula is based on
    - The average of your highest five consecutive years of pensionable salary, and
    - Your years of pensionable service
  - The pension is paid for your life, ***regardless of investment returns***
- 
- Note – DB Pension means “Defined Benefit” Pension



# Visual Example





# Retirement With LAPP Only

## Retirement Eligibility Under LAPP

- In LAPP you can retire if you
  - Have reached age 55
- You cannot start your LAPP pension before age 55
- You are entitled to an unreduced pension under LAPP if
  - Your age plus LAPP pensionable service totals 85 (“85 Factor”)
  - For example, a member who starts with CFD at 25 years old, and retires at age 55, will have 30 years of service. So,  $55 \text{ (age)} + 30 \text{ (service)} = 85$
  - If you’re under the “85 factor”, your pension benefit is reduced under LAPP
  - This is where our FSPP can “supplement” our pension!



# How FSPP “Supplements” Your LAPP Pension

## What If You Want to Retire Before 30 Years of Service?

- If you don't have 30 years of service, you can retire under FSPP with no early retirement reduction provided you are at least age 55
- If you have less than 30 years of service, you may have less than 85 points under LAPP, depending on your retirement age
  - For example, if you have 27 years of service and are age 55, you will have 82 points under LAPP
  - If you have 27 years of service and are age 58, you will have 85 points under LAPP
- **If you have less than 85 points under LAPP and retire on or after age 55 under FSPP, the FSPP plan will “pick up” any reduction under LAPP to ensure that when both plans are added together, you still have an unreduced pension**



# Who Pays For Your Pension?

## 2021 Contribution Rates

	LAPP		FSPP	
	Employee	Employer	Employee	Employer
<b>Total Contribution Rate</b>	9.58%	10.58%	2.32%	2.83%

The simple breakdown is the Employee pays 45% over their career and the Employer pays 55%

