

April 2017

## Take the Politics Out of Pensions!

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As members of the Local Authorities Pension Plan (LAPP), you may recall back in 2013, when the former Progressive Conservative Provincial

Government decided they would make changes to our LAPP pensions. They proposed to legislate these changes to accomplish their goals. Some of which included:

- removing early retirement provisions
- raising the minimum qualifying age
- removing the automatic cost of living adjustments (COLA) built into the plan.

The proposed changes would have negatively impacted those members preparing to retire in addition to all current working members, by significantly changing retirement goals.

Many members of LAPP vocalized their concerns by contacting their MLA's by phone, email and letters and some rallied in Edmonton in -30C temperatures to ensure they were heard. Thankfully, they were! The Progressive Conservative Government and the MLA's were swamped with so many angry letters and phone calls that they were forced to back down from their proposed legislation. Going forward, LAPP members will need to take a proactive approach to ensure this type of attack does not put our pensions in jeopardy again.

We know that pension governance can be confusing, however it is vital to understand who holds control of your pension. In the current

governance structure of LAPP, there is a 14-member Board of Trustees and Directors responsible for setting contribution rates, evaluating pension costs, and developing strategies and policies related to funding investments and plan design. The Board is comprised of equal representation of employer and employee stakeholders. The LAPP board, under its current structure, recommends changes to the pension plan which must be reviewed and supported by the Provincial Minister of Finance. This alone indicates the Minister of Finance currently has sole authority and final approval for any changes to the pension plan. This puts the pension plan in a somewhat precarious situation depending on the government of the day!

CUPE Local 3550 members can support the proposed change to self-governance of our pension plan by lobbying the NDP Finance Minister, Joe Ceci and our Edmonton and area MLAs to let them know the importance of giving the decision-making control to the stakeholders represented by the LAPP Board of Trustees and Directors. This is the message we need to see go to the legislature and we need the support of the current NDP government to bring this proposal forward.

**To assist you to bring this issue forward with your government representatives, a sample letter has been created that you are free to copy and use to contact your MLA. Please check the following website to locate the MLA for your area [http://www.assembly.ab.ca/net/index.aspx?p=mla\\_home](http://www.assembly.ab.ca/net/index.aspx?p=mla_home)**

In addition, please take some time to explore the Local Authorities Pension Plan website [www.lapp.ca](http://www.lapp.ca) to become aware to the many advantages LAPP provides to you as members of the plan.

Date: \_\_\_\_\_

Dear Mr. / Ms. \_\_\_\_\_, MLA

Address \_\_\_\_\_

\_\_\_\_\_

I am an employee of Edmonton Public Schools and a member of the Local Authorities Pension Plan (LAPP). I am writing to address some concerns I have with the current governance model applied to the LAPP.

It is worth noting that LAPP is the largest pension plan in Alberta with roughly 250,000 members, therefore impacting many Albertans. The current governance structure identifies the Minister of Finance as the Plan Trustee and Administrator. This model gives no direct decision-making role to the stakeholders of the plan. I feel the people that bear all the risk, the employers and the employees paying into the plan, must have input into the decisions impacting the plan.

The Minister of Finance has many responsibilities in order to carry out the duties of the position. As a result, conflicting priorities may emerge. The conflicting priorities that I reference were especially evident in 2013 when the Progressive Conservative government, unilaterally decided that changes were required to the LAPP due to an unfunded liability.

The Finance Minister proposed changes to the Board of Trustees of LAPP. The LAPP Board then made a decision to not support the proposed changes. The Boards' decision was based on an actuarial review, indicating the plan was currently improving and would be fully funded by 2018. The PC government responded by attempting to push through legislation that would allow the changes to be implemented contrary to the Board's recommendations. Heavy public backlash finally forced the government to rescind the proposed legislation. This attack on my pension will not soon be forgotten, which is why it is imperative that the current government **Remove The Politics From My Pension.**

**The Board of Trustees equally represents the stakeholders of the pension plan. They are the individuals who should decide what is best for the plan. The unfunded liability has been nearly eliminated, as the plan sits at 95% funded today.**

**The request I have is for this government to allow the LAPP to be self-governed by this highly capable Board of Trustees.**

Time is of the essence to make these changes at the legislature! I look forward to hearing your thoughts on this issue, and hope that you would support this legislation when it is introduced.

Sincerely,

Name: \_\_\_\_\_ (please print)

Address: \_\_\_\_\_

Phone number: \_\_\_\_\_

Home Email address: \_\_\_\_\_

Signature: \_\_\_\_\_