

# LAPP Pension Calculation

Retire on or by December 31, 2025



## ASSUMPTIONS:

Top Increment, Staff Nurse,  
Lump Sums, + Degree Bs \$1.25, LSPA  
(Long Service Pay Adjustment)

Pensionable Salary = Regular Pay (with LSPA) + \$1.25 (BScN) X 1914.25 hours/year + (2 X \$875) Lump Sum (until Jan 27, 2022)

Pensionable Salary for Part-time = the same as Full Time in same classification

Increased Pensionable Salary: higher paid classification; education allowance (BScN or other); more regular hours of work (University of Alberta Hospital...)

December 31, 2021	\$51.08/ hr	\$98,826
December 31, 2022	\$52.08/ hr	\$100,084
December 31, 2023	\$53.74/ hr	\$102,379
December 31, 2024	\$56.52	\$106,863
December 31, 2025	\$61.64	\$115,543

AVERAGE BEST OF 5  
CONSECUTIVE YEARS EARNINGS

\$523,695/5 = **\$104,739**

Pensionable Salary

5 Year Average of YMPE (years  
maximum pensionable earnings)  
for December 31, 2025 = **\$66,580**

## YEARS OF PENSIONABLE SERVICE

**Full time** = 1.0/year unless  
reduced by time spent on LOA

**Part Time** = Full Time Equivalency  
+ Extra hours worked at straight  
time less time spent on LOA

\* Part time employee's pensionable salary is  
"annualized". This means the pension is  
calculated based on what the salary would have  
been is the employee worked full time.

## PENSION CALCULATION WITH 85 FACTOR OR AT AGE 65

Highest 5 Consecutive Years  
Average Earnings X **1.4 %** up to  
the YMPE X Years of Pensionable  
Service

+ Highest 5 Consecutive Years  
Average Earnings X **2.0%** over  
the YMPE X Years of Pensionable  
Service

1.4%	X	\$66,580	=	\$932.12 year/12 months	=	\$77.68/month
2.0%	X	(\$99,695 - \$61,640)	=	\$763.18 year/12 months	=	\$63.60/month

**\$141.28/month**

Multiply **\$141.28** by "years of pensionable service" = monthly pension for Individual Top Increment, with \$1.25 for BScN, Staff Nurse, Lump Sums, LSPA (Long Service Pay Adjustment)

LAPP is also affected by early retirement, classification, education allowances, longer hours of work per year

## RETIREMENT AGE IS NORMALLY AGE 65

The LAPP will pay a pension after age 55 but will reduce the pension by 3% for each year less than age 65.

The plan chooses the method which provides the smallest penalty.

## 85 FACTOR

The pension will pay an unreduced pension after age 55 if a member's age and years of LAPP pensionable service meet or exceed 85.

A member less than 65 years and retiring with less than the 85 factor would have their LAPP reduced by 3% for each number less than 85

## EXAMPLE:

*Retire age 60 with 23 years of service  
= Factor 83. The LAPP payment would  
be reduced by 2 x 3% = 6%*