



LAPP Pension Calculation



Retire on or by April 1, 2021

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
 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...)

April 1, 2017	\$50.59/ hour	\$98,592
April 1, 2018	\$50.59/ hour	\$98,592
April 1, 2019	\$50.59/ hour	\$98,592
April 1, 2020	\$50.59/ hour	\$98,592
April 1, 2021	\$50.59/ hour	\$98,592

AVERAGE BEST OF 5 CONSECUTIVE YEARS EARNINGS
 $\$492,960/5 = \mathbf{\$98,592}$
 Pensionable Salary
 5 Year Average of YMPE (years maximum pensionable earnings) for April 1, 2021 = **\$56,775**

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	\$56,775	=	\$794.85 year/12 months	=	\$66.24/month
2.0%	X	(\$98,592 - \$56,775)	=	\$836.34 year/12 months	=	\$69.70/month

\$135.94/month

Multiply **\$135.94** 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%