

# Retirement Options

2021

For Employees of  
CARC Support Staff



*Always a LAPP Ahead*

This information package provides general information only. Contact the Member Services Centre if you have any questions. Should information in this package conflict with the plan text document and applicable pension laws, the latter will apply.

# Retirement Options

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# Welcome to LAPP

Whether you are new to the Plan, experiencing changes in your work life, or preparing to cross the finish line and retire; the LAPP seminar is designed to help guide you through that journey. Visit [www.lapp.ca](http://www.lapp.ca), scroll through the topics available and explore those that interest you most.

Throughout this handout, look out for Ben E. Fit (or Benny, for short). He is LAPP's ambassador, a "fiscally fit" LAPP member who understands that planning for retirement is a marathon, not a sprint.

Let Benny guide you, as he takes an interest in his pension from a young age, right through working in his career and future retirement planning. He will be with you all the way as you prepare for your victory LAPP!

Pensions can be complicated, and we have designed the website and these materials to be engaging, user-friendly, and approachable. With our initiatives, plus Benny guiding you, you are Always a LAPP Ahead!



The screenshot shows the LAPP website homepage. At the top, there is a navigation bar with the LAPP logo, a search bar, and links for 'Log in to Your Pension Profile' and 'Login'. Below the navigation bar, there are five menu items: 'Your Plan has Value', 'Your Plan is in Good Hands', 'Your Pension is Secure', 'Your Life with LAPP', and 'Your LAPP Library'. The main banner features a colorful illustration of a man running on a red track, with the text 'Welcome to LAPP | Local Authorities Pension Plan' and the slogan 'Always a LAPP Ahead'. Below the banner, there is a link for 'Important information about COVID-19 including administration building (APS) closure. Read more'. The page is divided into two columns. The left column has a section titled 'Myth Busters: Water Cooler Talk' with a 'Myth' and a 'Fact' section. The right column has a yellow button for 'Opportunities at LAPP' and a section titled 'From Our Newsroom' with a link to 'Update to Members: Ministerial Order for LAPP & AIMCo' and a sub-section for 'January 14, 2021 - Update on ongoing Investment Management Agreement negotiations'.

## Your Plan Has Value

Many Canadians do not have access to a workplace pension, and your LAPP pension offers a number of distinct and valuable features:

- 1) A LAPP pension is a pension for life
- 2) A LAPP pension is predictable
- 3) Your employer contributes 1% more than you
- 4) You can choose to retire early
- 5) Your pension income is stable and secure
- 6) Your pension grows each year to help protect against inflation

Some of these features are due to LAPP being a defined benefit (DB) pension plan. This means that when you retire, the amount of pension you will receive is determined by a formula. This formula is based on your pensionable salary and years of pensionable service, and not how much you contributed or returns on pension fund investments.



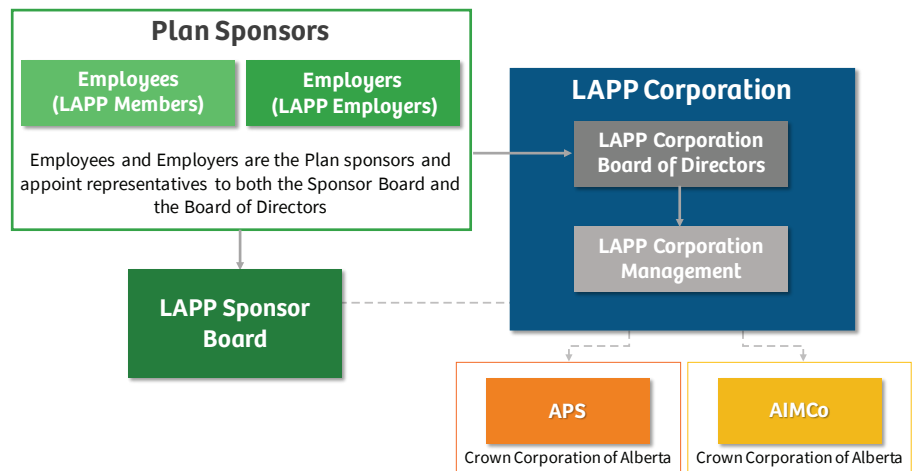
**See Your Plan has Value for more detailed information.**

## Your Plan is in Good Hands

### Our People

LAPP is a jointly-sponsored pension plan. The Plan sponsors are both the employees (LAPP members) and employers (LAPP employers) who pay into the Plan. The sponsor groups appoint representatives to the Sponsor Board, which is responsible for making important decisions about your pension like benefits, eligibility rules, and contributions.

LAPP Corporation is the administrator and trustee of the Plan. The Corporation is run by a small management group, which is overseen by a Board of Directors. The directors are appointed by the same sponsor groups that appoint the Sponsor Board. The role of the Corporation is to ensure that pensions are paid to members. This is achieved by providing strategic guidance for the Plan, managing risk and ensuring the long-term sustainability of LAPP. The Corporation is responsible to oversee the work of our key service providers who administer the pension benefit and invest the LAPP Fund.



## Our Partners

Services related to pension benefit administration and investment management are provided by two Crown Corporations of Alberta:



### Alberta Investment Management Corporation (AIMCo)

Invests the LAPP Fund according to direction from the Boards



### Alberta Pensions Services Corporation (APS)

Provides pension benefit administration services on behalf of the Boards, including:

- Collecting contributions
- Managing member information
- Calculating and paying pensions
- Providing benefit information to members, retirees, and employers

See Your Plan is in Good Hands for more detailed information. 

## Defined Benefit (DB) Pension Plan

LAPP is a defined benefit pension plan. This means that when you retire, the amount of pension you will receive is determined by a set formula, not how much you contribute or the returns on the pension fund investments. This formula is based on:

- **Pensionable salary** (the average of your five highest consecutive years); and
- **Pensionable service** (maximum 35 years)

This type of pension plan has many advantages. It enables you to estimate future pension income, and provides you with a lifetime income regardless of market conditions and how long you live.

## The Value of Being Vested

You are vested in the Plan when you have two years of pensionable service or have been an active member for two years. If you are an active member of the Plan on or after your 65th birthday, you are automatically vested regardless of pensionable service or membership.

**Once you become vested, you are eligible to receive a lifetime monthly pension when you retire.**



## Contributions

Contributions are payments collected from you and your employer to help fund your pension. The contribution rates are set by the LAPP Board and are based on the estimated cost of current and future pensions. Your contributions are deducted on a pay period basis by your employer. Your employer always contributes 1% more than you.

### Contribution Rates for 2021

	Up to YMPE	Over YMPE
MEMBER	8.39%	12.84%
EMPLOYER	9.39%	13.84%

## Year's Maximum Pensionable Earnings (YMPE)

The Government of Canada sets a maximum amount of earnings on which you can contribute to the Canada Pension Plan, called the Year's Maximum Pensionable Earnings (YMPE). LAPP uses this YMPE amount in its application of contribution rates, and in the calculation of benefits (see page 9).

### YMPE: Year-by-Year

<b>2014</b>	\$52,500	<b>2015</b>	\$53,600	<b>2016</b>	\$54,900	<b>2017</b>	\$55,300
<b>2018</b>	\$55,900	<b>2019</b>	\$57,400	<b>2020</b>	\$58,700	<b>2021</b>	\$61,600

## How is My Pension Calculated?

Your pension is calculated based on a formula that looks at your pensionable salary and your years of pensionable service, and not how much you have paid into the plan. Generally speaking, the longer you are contributing to the Plan and the higher your salary gets, the larger your pension will be.

Salary up to the YMPE × 1.4% × Service = \$ \_\_\_\_\_

PLUS

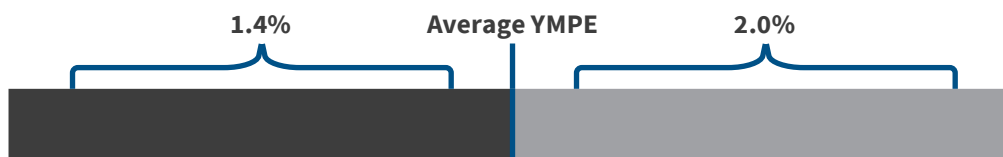
Salary over the YMPE × 2.0% × Service = \$ \_\_\_\_\_

In this section we outline the pension formula and explain how all its parts work together.

### Benefit Rates

When you retire, LAPP will pay a benefit to you based on your highest average salary, length of pensionable service, and a benefit rate.

The benefit rates set by legislation are:



### Highest Average Salary

The salary used in the pension formula is called your **highest average salary (HAS)**. HAS is calculated as the average of the five highest consecutive years of salary. Those are often, but not always, the last five years of a LAPP member’s time in the Plan.

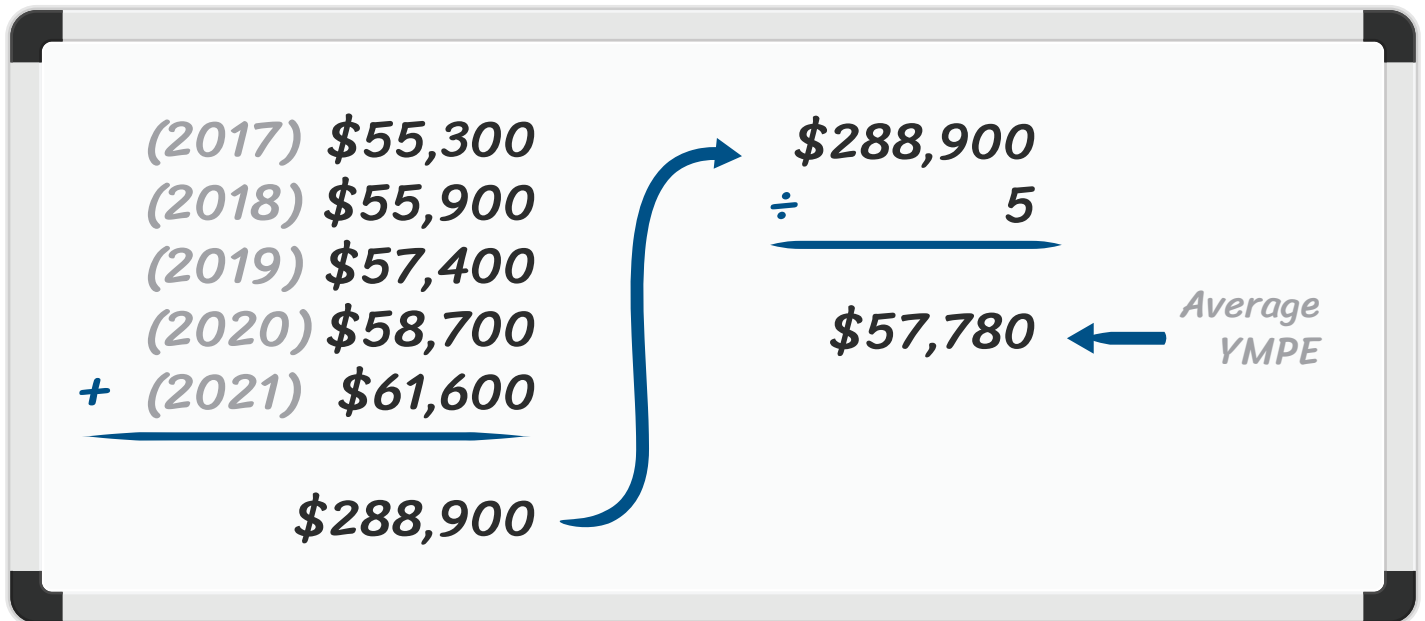
Year ›	2015	2016	2017	2018	2019	2020	2021
Salary ›	\$51,000	\$53,000	\$55,000	\$57,000	\$59,000	\$61,000	\$61,000

The diagram shows a calculation for the Highest Average Salary. On the left, the salaries for the years 2017 through 2021 are listed and summed: (2017) \$55,000, (2018) \$57,000, (2019) \$59,000, (2020) \$61,000, and + (2021) \$61,000, resulting in a total of \$293,000. An arrow points from this total to a division operation: \$293,000 divided by 5, which equals \$58,600. An arrow points from this result to the label 'Highest Average Salary'.



## Average Year's Maximum Pensionable Earnings

The average YMPE used in the LAPP pension formula is determined by using the YMPEs associated with the same years used in the highest average salary calculation.



## Highest Average Salary vs. Average YMPE

<i>Highest Average Salary</i>	<i>Average YMPE</i>
2015 \$51,000	2015 \$53,600
2016 \$53,000	2016 \$54,900
2017 \$55,000	2017 \$55,300
2018 \$57,000	2018 \$55,900
2019 \$59,000	2019 \$57,400
2020 \$61,000	2020 \$58,700
2021 \$61,000	2021 \$61,600
} \$58,600	} \$57,780

## Example of Pension Calculation

Now that we have determined the Highest Average Salary, Average YMPE, and the total pensionable service, we are ready to calculate the LAPP pension.

<i>Up to Avg. YMPE</i>	<b>\$57,780</b>	<b>x</b>	<b>1.4%</b>	<b>x</b>	<b>30 years of service</b>	<b>=</b>	<b>\$24,268</b>
						<b>+</b>	
<i>Over Avg. YMPE</i>	<b>\$820</b>	<b>x</b>	<b>2.0%</b>	<b>x</b>	<b>30 years of service</b>	<b>=</b>	<b>\$492</b>
<i>Single Lifetime Guaranteed at Least 5 Years</i>						<b>=</b>	<b>\$24,760 per year</b>

The two totals are added together to give you an estimated annual unreduced pension. The final amount of your pension is based on the pension option you choose, and factors like your age at retirement, and whether or not you have a pension partner.

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## How is My Pension Calculated - Part-Time

### Part-Time Pensionable Service

Working part-time will affect your pensionable service. Each year you will earn pensionable service based on your full-time equivalency (FTE). Your full-time equivalency is calculated based on the hours worked in that year, divided by the regular full-time hours for your position.

$$\begin{array}{ccc}
 \boxed{20} & \div & \boxed{40} = \boxed{0.5} \\
 \text{Hours Worked} & & \text{Full-Time Hours} & & \text{Years of} \\
 \text{Per Week} & & \text{for Position} & & \text{Pensionable} \\
 & & & & \text{Service}
 \end{array}$$

If someone worked in a 0.5 part-time position, after 4 years of work that person would have 2 years of pensionable service.

Meanwhile, someone working full-time would have 4 years of pensionable service.

### Part-Time Pensionable Salary

For part-time employees, the pensionable salaries are annualized before determining which years will be used in the highest average salary. The annualized salary represents what you would have earned had you worked full-time. To figure out the annualized salary you divide your pensionable earnings by your full-time equivalency (FTE).

$$\begin{array}{ccc}
 \boxed{\$29,500} & \div & \boxed{0.5000} = \boxed{\$59,000} \\
 \text{Part-Time} & & \text{Full-Time} & & \text{Annualized} \\
 \text{Pensionable} & & \text{Equivalency} & & \text{Salary} \\
 \text{Salary} & & & &
 \end{array}$$

See Your Life with LAPP > Getting Started with LAPP for more detailed information.



## Potential Retirement Income

LAPP will be one source of your future retirement income. If you are like most Canadians, the money you receive once you retire will come from different places. The Canada Pension Plan (CPP) and Old Age Security (OAS) are government pensions most Canadians will have. You may have Registered Retirement Savings Plan (RRSPs) or other investments, or maybe you have a pension from another employer.

Retirement planning can be a complex process with many things to consider. You may want to talk to an independent financial advisor who is not trying to sell you a product while they assist in your retirement planning.

## What Will You Qualify for Under LAPP, CPP, and OAS?

### LAPP:

Using the previous example, assuming you retired in 2022 as a single person, age 65, with a highest average salary of \$58,600 and 30 years of LAPP pensionable service, your LAPP pension would be \$24,760 per year and would replace about 42% of your pre-retirement average salary.

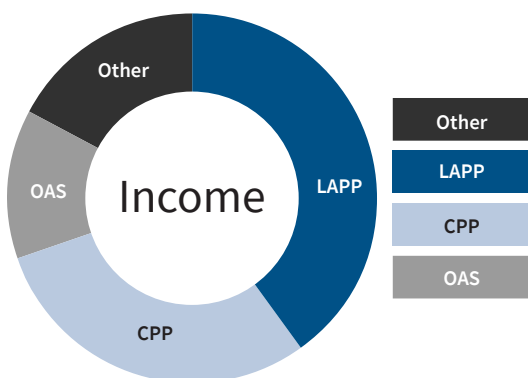
The final amount of your pension is based on the pension option you choose, and factors like your age at retirement, and whether or not you have a pension partner.

### CPP and OAS:

Assuming a member was eligible for maximum CPP and OAS in 2021, they would receive a further \$14,445 and \$7,384 respectively. Not everyone is entitled to full benefits, so it is important to **contact Employment and Social Development Canada to learn more** about the benefits you can expect.

- 1-800-277-9914
- Visit [www.canada.ca/cpp](http://www.canada.ca/cpp) and [www.canada.ca/oas](http://www.canada.ca/oas)

## Potential Income Sources



- LAPP – assuming 30 years of pensionable service and the Single Lifetime Guaranteed at Least 5 Years option (a total of \$24,760 per year)
- CPP – assuming entitlement to the maximum of \$1,203.75 at age 65 (a total of \$14,445 per year)
- OAS – assuming maximum of \$615.37 per month (a total of \$7,384 per year)
- Other – any Registered Retirement Savings Plans (RRSPs), other investments, or a different pension from another employer

## When Can I Retire?

If you have two years of pensionable service or membership in LAPP, you are entitled to a lifetime pension. Every vested LAPP member is able to take their unreduced pension on or after their 65th birthday. This is considered the “normal retirement age” in the Plan.

You must begin your LAPP pension by December 31st of the year in which you turn 71, even if you remain employed in a position where you would otherwise continue to participate in the Plan.

## How Early Can I Retire?

Normally, the earliest that a vested LAPP member can begin their pension is on their 55th birthday. You may be eligible to start your pension earlier than age 55 if you become disabled and stop participating in the Plan.

Retiring early like this often means that the amount of pension you receive is reduced. You can retire before age 65 with an unreduced pension if you have something called the "85 factor".

## 85 Factor (“85 Points”)

If your age at retirement plus your total years of pensionable service equal at least 85 points, then you are entitled to an unreduced LAPP pension.

### Unreduced Pension

The diagram illustrates the 85 Factor formula for an unreduced pension. It consists of three main components: a square box with a horizontal line inside, a plus sign, another square box with a horizontal line inside, an equals sign, and a solid green square containing the number 85. Below each component is a label: 'Age at Retirement' under the first box, 'Years of Service' under the second box, and 'Points or More' under the green square.

$$\text{Age at Retirement} + \text{Years of Service} = 85 \text{ Points or More}$$

## Discussion

Example: Age 55 and 30 Years of Service

$$\boxed{55} + \boxed{30} = \boxed{85}$$

Age at Retirement      Years of Service      Points

Example: Age 64 and 21 Years of Service

$$\boxed{64} + \boxed{21} = \boxed{85}$$

Age at Retirement      Years of Service      Points

## Early Retirement Reduction

Once you are vested and are no longer participating in the Plan, you can begin your pension as early as age 55, but the amount of the monthly pension you receive will be reduced if you do not meet the 85 factor.

The amount of the reduction is **3%** multiplied by the lower of either:

- The number of years it would take you to reach age 65, **OR**
- The number of points until you reach 85 factor

Look at the example below to see how the early retirement reduction is calculated for a member who has decided to retire early with the following age and pensionable service:

## Reduced Pension

$$\boxed{55} + \boxed{25} = \boxed{80}$$

Age at Retirement      Years of Service      Points

**STEP 1:**

Calculate the number of years it would take to reach age 65, AND the number of points until 85 factor:

$$65 - 55 = 10$$

Years of Age                      Age at Retirement                      Years from 65

$$85 - 55 - 25 = 5$$

Points                      Age at Retirement                      Years of Service                      Points from 85 Factor

**STEP 2:**

Use the lower number (5 years) to calculate the total pension reduction rate

$$5 \times 3\% = 15\%$$

Points from 85                      Reduction Rate                      Pension Reduction

**STEP 3:**

Determine the member's monthly pension with the reduction applied:

For this example, let's assume that the unreduced pension at age 65 would be \$1,000 per month. Based on the pension reduction calculated in STEP 2, the pension will be subject to an early retirement reduction of 15% which results in the pension being \$850 per month at age 55.

$$\$1000 - 15\% = \$850$$

Unreduced Pension                      Pension Reduction                      Pension Payment at Age 55





## 85 Factor Worksheet

This worksheet will help you test whether you will have reached your 85 factor at your anticipated retirement date, or the reduction that would be applied, if any

- 1) Determine the total years of pensionable service you will have at your chosen retirement age.
  - a) Determine your pensionable service up to now. You can do this a number of ways:
    - i) Login to Your Pension Profile and locate the View Service History link on the dashboard.
    - ii) Review your recent *Pension Highlights* Statement.
    - iii) Contact our Member Services Centre at 1-877-649-5277.



**Remember, service reporting is done by your employer on an annual basis and will always be one year behind the current year.**

- b) Calculate how many more years of pensionable service you will have from the current year up to your chosen retirement date. Remember that if you work in a part-time position, your pensionable service will be less than 1 year for each calendar year. You may wish to estimate your future service based on the information in your most recent *Pension Highlights* Statement or online by logging in to the secure section of LAPP.ca.

Add the numbers in a. and b. together. Enter this number in the Years of Service box below.

- 2) Enter your chosen retirement age in the Age at Retirement box.
- 3) Enter your estimated total years of pensionable service in the Years of Service box.
- 4) Add your retirement age and your total years of pensionable service to determine your total points.

<div style="border-bottom: 1px solid black; width: 80%;"></div>	+	<div style="border-bottom: 1px solid black; width: 80%;"></div>	=	<div style="border-bottom: 1px solid black; width: 80%;"></div>
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Age at Retirement

Years of Service

Points

- 5) Circle if your pension will be reduced or unreduced based on your points.

**REDUCED**  
Less than 85 Points

**UNREDUCED**  
85 Points or More

If you have circled “Reduced”, then complete the steps below to determine the approximate reduction that will be applied.

6) Calculate the number of years to age 65, AND the number of points away from 85

$$\begin{array}{c}
 \boxed{65} \\
 \text{Years of Age}
 \end{array}
 -
 \begin{array}{c}
 \boxed{\quad} \\
 \text{Age at Retirement}
 \end{array}
 =
 \begin{array}{c}
 \boxed{\quad} \\
 \text{Years from 65}
 \end{array}$$

$$\begin{array}{c}
 \boxed{85} \\
 \text{Points}
 \end{array}
 -
 \begin{array}{c}
 \boxed{\quad} \\
 \text{Age at Retirement}
 \end{array}
 -
 \begin{array}{c}
 \boxed{\quad} \\
 \text{Years of Service}
 \end{array}
 =
 \begin{array}{c}
 \boxed{\quad} \\
 \text{Points from 85 Factor}
 \end{array}$$

7) Multiply the lower of these two numbers by 3% to calculate the total pension reduction rate.

$$\begin{array}{c}
 \boxed{\quad} \\
 \text{Lesser of Step 6 Results}
 \end{array}
 \rightarrow
 \begin{array}{c}
 \boxed{\quad} \\
 \text{Points from 85}
 \end{array}
 \times
 \begin{array}{c}
 \boxed{3\%} \\
 \text{Years of Service}
 \end{array}
 =
 \begin{array}{c}
 \boxed{\quad\%} \\
 \text{Pension Reduction}
 \end{array}$$

*The figures and numbers calculated above are only an estimate.*

See Your Life with LAPP > Thinking of Retiring for more detailed information.



## Pension Options

Any pension option you choose will pay you an income for the rest of your life.

The options that you can choose from when you retire will depend on whether or not you have a pension partner at that time.

- Single Lifetime Pension, or
- Joint Lifetime Pension

### Single Lifetime Options

The single lifetime options are paid to you for as long as you live. These options can only be chosen if you do not have a pension partner at retirement, or if your pension partner completes a waiver giving up their right to a lifetime survivor benefit.

There are four options to choose from:

- 1) Single Lifetime Guaranteed at Least 5 Years
- 2) Single Lifetime Guaranteed at Least 10 Years
- 3) Single Lifetime Guaranteed at Least 15 Years
- 4) Single Lifetime

**1**

#### Single Lifetime Guaranteed At Least 5 Years

A pension paid for as long as you live.

If you pass away within 5 years of starting your pension, the beneficiaries you have chosen (or your estate) will continue to receive pension payments until the end of the 5-year guaranteed period.

**2**

#### Single Lifetime Guaranteed At Least 10 Years

A pension paid for as long as you live.

If you pass away within 10 years of starting your pension, the beneficiaries you have chosen (or your estate) will continue to receive pension payments until the end of the 10-year guaranteed period.

**3**

#### Single Lifetime Guaranteed At Least 15 Years

A pension paid for as long as you live.

If you pass away within 15 years of starting your pension, the beneficiaries you have chosen (or your estate) will continue to receive pension payments until the end of the 15-year guaranteed period.

**4**

#### Single Lifetime

A pension paid for as long as you live. No payments are paid to anyone after your death.

Examples of Single Lifetime Pension Options	Monthly Pension
Single Lifetime Guaranteed at Least 5 Years	\$2,000
Single Lifetime Guaranteed at Least 10 Years	\$1,987
Single Lifetime Guaranteed at Least 15 Years	\$1,963
Single Lifetime No Guarantee	\$2,004

*\* This example is for illustrative purposes only. Your experience may be different.*

## People in Your Life - Pension Partner Protection

LAPP ensures your pension partner will receive benefits when you pass away.

### Who Qualifies as a Pension Partner? If You Are Married

If you are married, your spouse is automatically your pension partner, unless you have been living separate and apart for three or more years.

### Not Married, but Live Together in a Spouse-Like or Common-Law Relationship

Someone you are living with in a spouse-like relationship, sometimes called a common-law relationship, is your pension partner once you have been living together for three years in a row. This period is shortened if you have a child, either by birth or adoption, of that relationship.

**For the full legal definition of a pension partner and separate and apart, see [Your Life with LAPP > People in Your Life](#)**



## Joint Lifetime Options

If you have a pension partner when you retire, you are required to choose a pension that continues to pay for as long as either one of you is alive. This is called a Joint Lifetime pension. If you pass away first, your pension partner will then receive a pension for the rest of their life.

Your pension partner, however, may choose to allow you to select another option other than Joint Lifetime option:

### Pension Partner Waiver

At the time of retirement, your pension partner has the option of completing a Pension Partner Waiver (Pension Waiver of Pension Partner as at Pension Commencement) that gives up their right to any survivor benefits if you are the first one to pass away. If your pension partner completes this waiver, you will be able to choose one of the Single Lifetime pension options.

It is important to note that the pension choice, which is based on the Pension Partner Waiver being completed, is irrevocable once the pension is in pay.

### Joint Lifetime Guaranteed At Least 5 Years

This pension is paid for the lives of you and your pension partner. When either you or your pension partner pass away, the survivor will continue to receive the same amount of pension for life.

If both of you pass away within five years of the start of your pension, any payments remaining in this period will be paid to your chosen beneficiaries or estate.

### Joint Lifetime Reduced by 1/3 Guaranteed At Least 5 Years

This pension is paid for the lives of you and your pension partner. When either you or your pension partner pass away, the monthly pension paid to the survivor will be reduced by 1/3. This means that if your pension partner passes away before you, your pension will be reduced to 2/3 of the original pension amount.

If both of you pass away within five years of the start of your pension, any payments remaining in this period will be paid to your chosen beneficiaries or estate.

Examples of Joint Lifetime Pension Options	Payable to Pensioner	Payable to Survivor
Joint Lifetime Guaranteed at Least 5 Years	\$1,812	\$1,812
Joint Lifetime Reduced by 1/3 Guaranteed at Least 5 Years	\$1,943	\$1,295

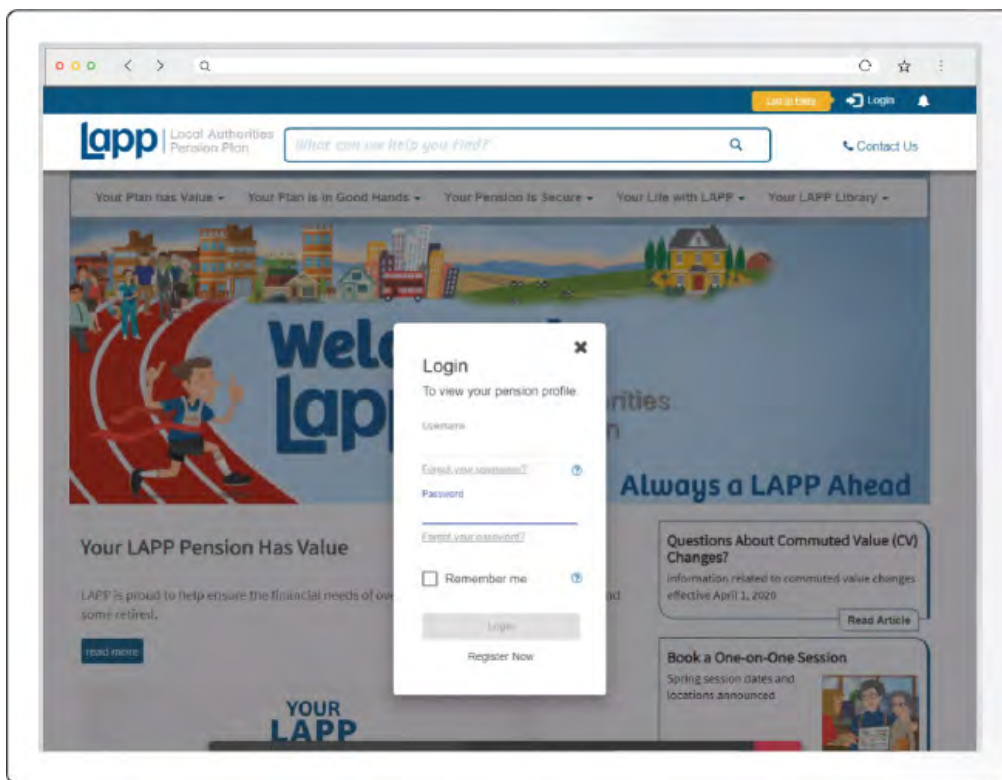
*\*This example is for illustrative purposes only. Your experience may be different.*

## Cost-of-Living-Adjustment (COLA)

A LAPP pension is partially indexed to protect the value of your money. Over time, inflation wears away the purchasing power of money. Without any inflation protection, your pension would not keep up with the cost of higher prices for goods and services that tomorrow will bring.

On January 1 every year, a cost-of-living adjustment (COLA) is calculated and applied to your base pension. COLA amounts to 60% of the increase in Alberta's Consumer Price Index, which measures the average cost of a basket of goods and services purchased by Alberta consumers over 12 months.

## Your Pension Profile



Keeping track of your future pension is easy with Your Pension Profile, the secure section of LAPP.ca, which also lets you view and update your personal information.

**To register for Your Pension Profile, you will need:**

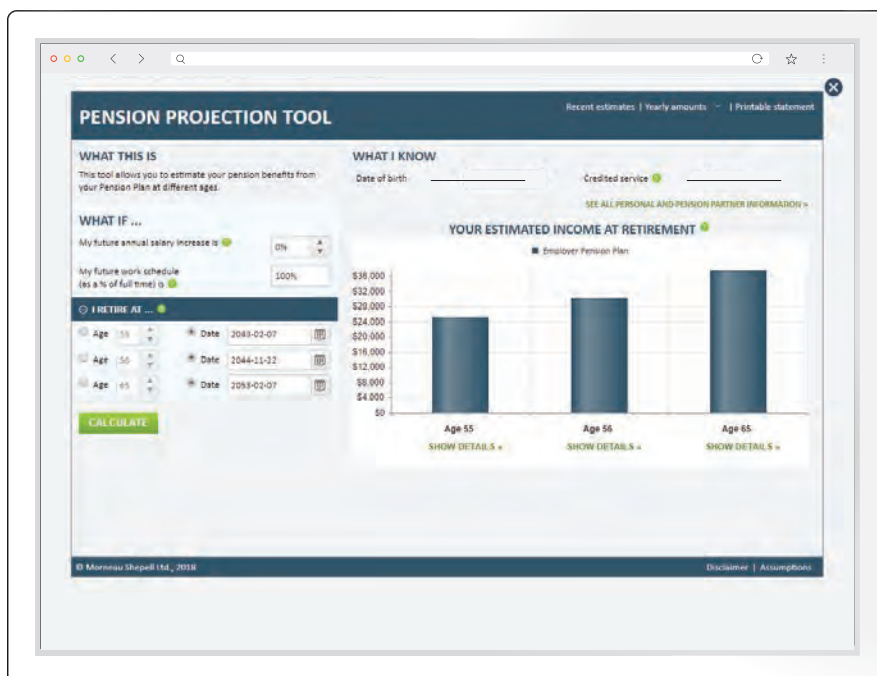
- 1) One of either:
  - your unique 10-digit member ID – located on your *Pension Highlights* Statement, or
  - your first and last name,
- 2) your last four digits of your social insurance number (SIN),
- 3) your date of birth, and
- 4) your email address.

## Pension Projection Calculator

The Pension Projection Calculator in the secure section of LAPP.ca allows you to see what your pension benefit might be when you reach retirement age. The pension estimates are based on your most recently reported year-end service and salary information.

You may make adjustments to reflect:

- future pay increases, or
- changes in your work schedule



The calculator automatically determines the date you are first eligible to receive a pension, the date you are first eligible to receive an unreduced pension, and your normal retirement date (age 65). Some of these dates may match.

If you require estimates for the following situations, please call our Member Services Centre:

- immediate pension not taken
- pending division due to relationship breakdown

There is also a Pension Estimator at LAPP.ca which can help if you are curious about different “what if” retirement scenarios and how they might affect the LAPP pension you receive.





## Retirement Timelines

- Three months before you want your LAPP pension to begin, fill out the retirement application
- LAPP sends you a *Retirement Benefits Statement*
- Return completed forms (sooner is better)
- Expect first pension payment approximately 30 days after your retirement date
- Pension payments are on the second last business day of the month (except December, when payment is made before December 25)

See Your LAPP Library > Member Tools > Retirement Checklist for more detailed information.



## Working While Receiving Your Pension

If you are a current LAPP participant who is getting close to retirement, you might find yourself wondering whether you will work after you have started your LAPP pension.

If you are planning on working, remember: **before you can start your LAPP pension you must terminate from participating in the Plan.** You will need to either experience a period of at least one day where you are not employed by any LAPP employer (excluding weekends and statutory holidays), or you must move to a position where you will not participate in the Plan. You will not be able to start your LAPP pension if, on the date the pension would start, you are employed in a position where you should be participating in the Plan.

Once you have started to receive your LAPP pension, there are a few things to consider if you do decide to work:

- If your employment is with a LAPP employer, you will not be able to contribute to the Plan to increase your LAPP pension.
- The employment income you earn will not have an impact on the amount of your LAPP pension. **However, there may be tax considerations to keep in mind.** After considering your income from all sources, you may wish to have additional tax taken off of your pension to help avoid owing money at tax time.

