

# Administrative Procedure

## Special Forces Pension Plan - Participation

This procedure falls under **Employee Benefits Directive, A1130**.

**Date of Approval:** March 19, 2018

**Next Scheduled Review:** Date of Approval + 3 years

### **Purpose:**

The purpose of this procedure is to outline the City's practices in respect of the participation of eligible police officers in the Special Forces Pension Plan, subject to the provisions of the *Public Sector Pension Plans Act, RSA 2000, c P-41* and Regulations made pursuant to Schedule 4 of the Act.

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Eligible police officers shall participate in the Special Forces Pension Plan in accordance with the conditions prescribed herein, subject to the Public Sector Pension Plans Act and Regulations made pursuant to Schedule 4 of the Act.

This procedure applies to any eligible police officer employed by the City who reports directly or indirectly to the Police Chief along with those individuals employed or contracted by the Edmonton Police service on a personal services agreement.

### **Definitions**

All definitions contained in the [Employee Benefits Administrative Directive](#) apply to this procedure.

In addition:

- **“act”** means the *“Public Sector Pension Plans Act,”*
- **“base rate of pay”** means payment for performance of the regular duties of employment;
- **“Buy-back proposal”** means a proposal issued by Special Forces Pension Plan early in the New Year detailing the employee's options for purchasing any leave gaps in their service;
- **“eligible police officer”** means a peace officer, who is a member of a police service, employed by a local authority in Alberta who has general authority to enforce federal and provincial statutes, who is expected to accrue pensionable service under the Special Forces Pension Plan;
- **“employee, full-time permanent or probationary”** means any eligible police officer who has full-time permanent or probationary status with the City and is working the number of hours to satisfy their full-time equivalent, as defined in the appropriate collective agreement;
- **“employee, job-sharing arrangement”** means any eligible police officer who is working in a job-sharing arrangement where the police officers in the arrangement are employed on a basis that taken together constitutes a full-time, permanent basis as defined in the appropriate collective agreement. This arrangement must be approved by the employer;
- **“leave of absence”** means any period of unpaid time away from regular work hours, no matter how short. Examples of a leave could be time away from work for an unscheduled appointment, or an unpaid day off, Annual Funded Leave (AFL), Leave of Absence Without Pay (LWO), Sick Without Pay (SWO), Absence Without Approval (AWO), Suspension Without Pay (SSO)

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- **“leave of absence maximums”** means that the Canadian Income Tax Act defines the maximum amounts of leave time an employee can buy back as pensionable service during their career:

Five Years of Cumulative Full-Time Service - the maximum amount of Leave of Absence an employee can buy back as pensionable service in their career. The effective date of the maximum cumulative five-year leave monitoring is December 10, 2017.

Three Additional Years - Three additional years of leave above the five year maximum is permitted when that leave is for Maternity and/or Parental leave

The City will contribute the employer’s share of the first year of leave without pay purchased under the Pension Plan. Costs associated with all other periods of eligible prior service applied for will be paid by the employee only.

- **“pension contributions”** are contributions prescribed by regulations pursuant to Schedule 4 of the Act
- **“pension plan”** means the Special Forces Pension Plan as per the Public Sector Pension Plans Act, RSA 2000 CP- 41 and regulations made thereunder
- **“pensionable salary”** means earnings on which the pension contributions are based on. The City of Edmonton includes the following pay types: base rate of pay, relieving/acting pay, service pay.
- **“pensionable service”** means service for which contributions are made to the pension plan in accordance with the regulations.
- **“regulations”** are regulations made pursuant to Schedule 4 of the Act, and will include the terms and conditions prescribed by the supplementary pension plans
- **“relieving acting pay”** means payment for performance of duties at a higher level than those which would normally be assigned to the position for which the employee is employed on a regular basis
- **“service pay”** means payment for completing years of service as a City of Edmonton employee, working as a Police Officer with the Edmonton Police Service as defined in the collective agreement
- **“Supplementary Pension Plans”** are any additional pension plans which may be established under bylaw by the City for the benefit of its employees.

### Processes

#### 1. *Participation Eligibility*

- 1.1 Participation in the pension plan shall, at all times, be governed by the Act and Regulations
- 1.2 All full-time permanent or probationary employees and job-sharing permanent or probationary employees are required to participate in the pension plan from the date of employment.

#### 2. *Pensionable Service*

- 2.1 A member of the pension plan who is a full-time employee and active for the entirety of all pay periods in a 26 pay period year or all pay periods in a 27 pay period year will be credited one (1.0000) year of pensionable service. Members of the pension plan not active for the entire year will receive pensionable service adjusted proportionally. For example, a member that has worked 18.3 pay periods will receive 18.3 divided by 26 pay periods equaling 0.7038 years of service

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reported for pension purposes. A member who is in a job share position will receive service based on the number of hours of pensionable earnings paid divided by the standard hours for the equivalent full time position as identified in the corresponding collective agreement.

### 3 *Prior (Optional) Service*

3.1 An employee who arranges to purchase prior or optional service will be responsible for the entire cost of the prior service purchase. Prior service may include:

- a) previous employment with a current employer;
- b) previous employment with another employer who participates in SFPP; or
- c) contributory service under another pension plan in some circumstances.

Questions about eligibility and applications to purchase prior service should be directed to the Employee Service Centre

### 4 *Leave of Absence Without Pay*

4.1 An employee who is on an approved leave of absence without pay, including parental leave, is not permitted to make SFPP contributions while on approved leave of absence, but is entitled to purchase their pensionable service at the end of the approved leave of absence period.

4.2 A period of leave without pay may be purchased as pensionable service provided that:

- a) the employee was contributing to the pension plan immediately prior to the commencement of the leave without pay; and
- b) the employee has purchased less than the maximum period of leave without pay as pensionable service subject to the provisions of the pension plan; and
- c) the employee has at least one (1) day of paid employment (including paid vacation) after the period of leave without pay, prior to termination with the City; and
- d) the purchase is made in accordance with all the time requirements as required by the provisions of the supplementary pension plans.

Contribution Basis – The employer will contribute the employer’s share of the **first year** of “leave without pay” purchased under the pension plan, if the application to purchase service was received by the pension administrator on or before April 30 for any leave ending in the previous year. After the first year, the employee is responsible for both their share and the employer’s share of the cost.

Actuarial Basis - If the application to purchase a leave period is received by the pension administrator after the deadline period, the cost of the leave purchase will be on an actuarial reserve basis. This could be much more expensive than the contribution basis method because the actuarial cost basis will be based on what it would cost the Pension Plan to pay your future pension for the purchased period of service.

The City will report all periods of leave to SFPP. When SFPP receives the City’s year-end payroll information, which will include all periods of unpaid leave time, SFPP will issue a Buy-Back

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Costing Proposal to all employees with reported leave time. The Buy-Back Proposal will include information on the process of buying back unpaid periods of leave as pensionable service, the timelines to buy back that leave and the methods of payment.

### 5 *Leave of Absence With Pay*

- 5.1 Short Term Disability (STD) - the City's paid STD plan is an approved plan under the Income Tax Act, so that disability pay is treated the same as if the employee is receiving normal wages, and the time is considered pensionable for service and contributions.
- 5.2 Long Term Disability - The City has an approved Long Term Disability Insurance (LTDI) plan with SFPP. This requires an employee or former employee who is in receipt of LTDI benefits to have his/her pensionable service, salary and contributions calculated as if the employee was actively at work.
- 5.3 Workers' Compensation Board (WCB) - LAPP Regulations and the Income Tax Act requires an employee or former employee who is in receipt of WCB benefits to have his/her pensionable service, salary and contributions calculated as if the employee was actively at work.
- 5.4 Union leave - the Income Tax Act allows union leave time to be considered pensionable. Any time associated with union duties will be used in the pensionable service, salary and contributions calculations as if the employee was actively at work.  
Suspensions Without Pay are not included in this definition. A 'Suspension Without Pay' is a period of unpaid leave and will be reported as a leave of absence for pension purposes.

### History

- A1129A: Special Forces Pension Plan - Approved November 23, 2017
- A1129A: Special Forces Pension Plan - Approved February 26, 2016.
- A1129: Special Forces Pension Plan- Participation - Approved April 11, 2013.