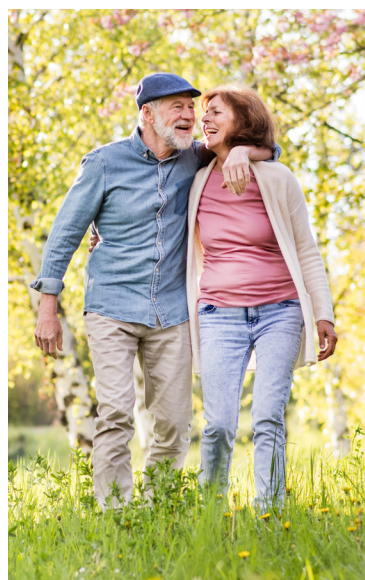


# APEX Member Handbook



 **Alberta  
Municipalities**  
Strength  
In Members



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# About APEX

**The APEX Supplementary Pension Plan (APEX) is a defined benefit pension plan which means you can expect a predictable monthly income for life. The amount you receive is based on a formula that takes into account your earnings and the number of years you have been contributing to the Plan. It can play an important role in contributing to your financial security as you get older.**

## Governing Legislation

APEX is a registered pension plan under the *Income Tax Act (ITA)*. It is governed by the *Employment Pension Plans Act (EPPA)*, the Employment Pension Plan Regulations, and the APEX Plan text. Please visit our website ([abmunis.ca](http://abmunis.ca)) for links to this information.

If the APEX Plan text does not address a particular issue or situation, the provisions of the EPPA will apply. If the provisions of the Act and the Plan text are inconsistent, the EPPA will apply.

## APEX Governance Board

The Plan is administered by the APEX Governance Board (APEX Board) which establishes fiscal, investment, and administrative policies, and oversees their implementation by Alberta Municipalities staff, external consultants, and service providers.

The APEX Board is responsible for setting strategies and approving APEX business plans.

## APEX Vision

APEX is a secure and sustainable supplementary pension plan of choice for attracting and retaining employees.

## APEX Mission

APEX provides a valued pension program that supplements the Local Authorities Pension Plan (LAPP) through demonstrating financial sustainability, quality service, and sound governance.





## Plan Administrator

The Alberta Municipal Services Corporation (AMSC) Board as the Plan Sponsor delegates the responsibilities of the Plan Administrator to the APEX Board.

## Services

APEX provides a full range of services for Plan members. These include:

- Providing various information materials
- Conducting information sessions for both members and employers
- Estimating pensions and termination benefits
- Maintaining Plan member data
- Providing annual statements to Plan members

## Confidentiality

Any personal data you provide is protected from unauthorized collection, use or disclosure and will not be released, either in writing or verbally, to anyone without your authorization.

Information will be provided to third parties only with your written authorization.

# Joining the Plan

**You may join the Plan if you are employed by a participating employer and in a class designated for inclusion under the participating employer's participation agreement.**

If you decide to opt out when you are first eligible, you may join at a later date. Keep in mind that your service will only accrue going forward, it will not be retroactive to your eligibility date.

If you are enrolled and change to a position that is in a class of employees not eligible for APEX, your enrolment will terminate, and you will no longer accrue service until you become eligible again.

If you have more than one employer, and they all offer APEX, you may join the Plan under each employer. Keep in mind that you cannot accrue more than one year of service in any given year.

Becoming a member is voluntary; however, once you have joined, you must remain in the Plan until you terminate employment with your employer, retire, or pass away, whichever comes first.

## Designating A Pension Partner/Beneficiary

When you enroll in the Plan, you are required to name a pension partner and/or a beneficiary who will be eligible to receive a death benefit in the event you pass away before receiving your retirement income.

Your pension partner is a legally married spouse or a common law partner with whom you have been living for at least three consecutive years. This period can be shortened if you have a child, either by birth or adoption, of that relationship.

If you have a pension partner, he/she is automatically your primary beneficiary and will remain so unless your pension partner completes a spousal waiver form, or the relationship ends (before retirement). You may name a secondary beneficiary(ies) so long as they differ from your pension partner.

If you do not have a pension partner, you may name any person(s) or organization as a beneficiary. If you do not name a beneficiary, your estate will automatically be designated as your beneficiary.

If you wish to change your beneficiary(ies), you must complete a Change in Personal Data form.





# Contributions

**Your employer will calculate your contributions each pay period and deduct them directly from your pay. The amount you contribute to APEX is based on your earnings, the defined benefit limit, and the Plan's contribution rate. These contributions as well as your employer contributions will fund a significant portion of the plan. Investment earnings from the APEX Fund will fund the balance.**

Your employer deducts these contributions from your gross income, which reduces your taxable income. Once you retire and begin collecting your APEX pension, income tax will be applied to your payments. However, in most cases, it will be at a lower tax rate than when you were employed.

## Your Earnings

In general, you contribute to APEX each pay period on the pensionable earnings you receive from your employer.

Your contributions are based on your annualized earnings, which is the amount you would earn by working regular full-time hours for a full calendar year.

## Contribution Rate

As a member of the Plan, you contribute 2.42% of your earnings up to the defined benefit limit for the year. Your employer also contributes 2.96% up to the limit. For 2023, the defined benefit limit is \$175,333.33. Therefore, you do not contribute on any salary that you have earned above this limit.

The Plan's contribution rate is set by the APEX Board and is subject to change based on a review of the funding progress of the Plan by the Plan's actuary.

## Contribution Formula

$$\begin{array}{|c|} \hline \text{Earnings} \\ \hline \text{up to defined} \\ \text{benefit limit} \\ \hline \end{array} \times \begin{array}{|c|} \hline 2.42\% \\ \hline \text{contribution rate} \\ \hline \end{array} = \begin{array}{|c|} \hline \text{Your} \\ \hline \text{contributions} \\ \hline \end{array}$$

$$\begin{array}{|c|} \hline \text{Earnings} \\ \hline \text{up to defined} \\ \text{benefit limit} \\ \hline \end{array} \times \begin{array}{|c|} \hline 2.96\% \\ \hline \text{contribution rate} \\ \hline \end{array} = \begin{array}{|c|} \hline \text{Employer} \\ \hline \text{contributions} \\ \hline \end{array}$$

### Example: Full-time Employee

George is a full-time employee who earns \$100,000 per year.

$$\mathbf{\$100,000} \times \mathbf{2.42\%} = \mathbf{\$2,420}$$

$$\mathbf{\$100,000} \times \mathbf{2.96\%} = \mathbf{\$2,960}$$

*George contributes \$2,420 to APEX and his employer contributes \$2,960 on George's behalf.*

Yasmine is a full-time employee who earns \$190,000 per year.

$$\mathbf{\$180,500.00} \times \mathbf{2.42\%} = \mathbf{\$4,368.10}$$

$$\mathbf{\$180,500.00} \times \mathbf{2.96\%} = \mathbf{\$5,342.80}$$

*Yasmine's annual contributions are based on the salary cap and contributes \$4,368.10 to APEX and her employer contributes \$5,342.80 on Yasmine's behalf.*

## Example: PART-time Employee

If you work part-time, your contributions are based on what you would have earned working full-time in your position, and then prorated to the percentage of full-time hours you work.

Here is an example if George was to work a full-time equivalency of 70%. Although his earnings are \$70,000 per year, his contributions are based on his annual salary of \$100,000 and then prorated by 70%.

$$[\$100,000 \times 2.42\%] \times 70\% = \$1,694$$

$$[\$100,000 \times 2.96\%] \times 70\% = \$2,072$$

*George contributes \$1,694 to APEX and his employer contributes \$2,072 on George's behalf.*

## RRSP Contribution Room

For every year that you are active in APEX, your employer will report a Pension Adjustment (PA). The PA represents the value of your APEX benefit entitlement as allocated by Canada Revenue Agency (CRA) and as such will reduce your Registered Retirement Savings Plan (RRSP) contribution room. When CRA reviews your tax return, it will consider this PA in determining the amount of RRSP contribution room that will be available to you for the following year.



# Your pension benefit

**As an APEX member, you can choose to begin your pension anytime between the age of 55 and December 31 of the year you turn 71. In general, the pension you will receive when you retire will be based on your earnings and how much *contributory service* you have in the Plan. APEX gives you personalized information that makes it easy to find out how much your monthly pension will be.**

## Annual Statement

Your annual statement provides a snapshot of your benefits as of December 31 of the previous year, including how much you contributed during the year, your accumulated service, and an estimate of your future pension.

## Pension Estimates

This personalized estimate will provide you with information that can help you plan for retirement. There are two ways for APEX members to receive an estimate:

- Our **online pension estimator** is currently being rebuilt for better technical functionality. In the meantime, if you would like to request an estimate package from Retirement Services, please email us.
- Contact us at [retirement@abmunis.ca](mailto:retirement@abmunis.ca), if you are within 6 months of your anticipated retirement date.

# Your Pension

## HOW YOUR PENSION IS CALCULATED

Your pension is based on the following:

### **Highest Average 5 Year Salary**

This is determined by taking your highest average earnings from five consecutive years. This may not necessarily be your last five years. For example, if you decide to take a lower paying job in the years just before retirement, your best five years would be from earlier in your career. In general, the higher your average earnings, the higher your pension will be. Your highest average salary will be limited to CRA's defined benefit limits.

### **APEX Pension Formula**

The value of your LAPP pension is then removed from the full 2% pension to arrive at your APEX pension payable. The benefit is based on 2% of pensionable earnings as that is the maximum pension accrual rate as per CRA.

Let's look at an example, assuming the following:

**Highest Average Salary:** \$100,000

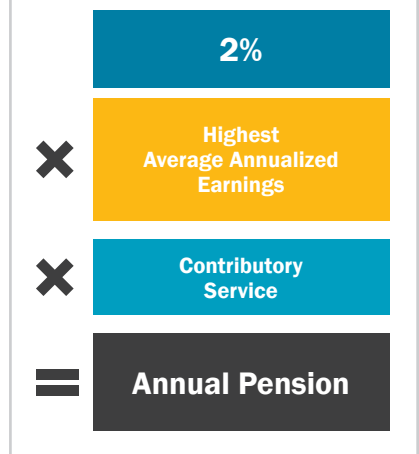
**Average Yearly Maximum Pensionable Earnings (YMPE):** \$61,840

**Years of APEX Service:** 10.0000

### **Your years of contributory service**

Your contributory service is the length of time you have contributed to APEX. In general, the more contributory service you have, the higher your pension will be.

*Your total pension from LAPP and APEX is based on the following formula:*





Full Pension APEX plus LAPP (A)	$\$100,000 * 2\% * 10 \text{ years}$	$= \$20,000/\text{year}$ or $\$1,666.67/\text{month}$
Less: LAPP Pension		
1.4% on salary up to YMPE, plus	$\$61,840 * 1.4\% * 10 \text{ years}$	$\$8,657.60$
2% on salary over YMPE	$(\$100,000 - \$61,840) * 2\% * 10 \text{ years}$	$+ \$7,632.00$
Total LAPP Pension (B)		$= \$16,289.60/\text{year}$ or $\$1357.47/\text{month}$
APEX Pension (A-B)	$\$20,000 - \$16,289.60$	$= \$3,710.40/\text{year}$ or $\$309.20/\text{month}$

## APEX Pension Formula if you work part-time

If you work part-time, we annualize your earnings to calculate your pension. This means your salary would be calculated as if you were working full-time, but your service would only be counted based on your part-time working hours.

*For instance, Lillian works four days per week, her actual earnings are \$80,000 per year, while her annualized earnings for her pension calculation are \$100,000.*

*The graphic below shows how Lillian's pension would be calculated if she works full-time compared to if she works part-time her entire career. You'll notice that while average earnings of \$100,000 are used for both calculations, Lillian's contributory service is lower in the part-time scenario because she is building contributory service at a slower rate than if she worked full-time.*

	FULL-TIME	PART-TIME
Hours	5 days/week	4 days/week
Actual earnings	\$100,000	\$80,000
Average annualized earnings	\$100,000	\$100,000
Contributory service	20 years	16 years (80% full-time)
Pension calculation LAPP + APEX	$\$100,000 \times 2\% \times 20$	$\$100,000 \times 2\% \times 16$
Yearly pension	\$40,000	\$32,000



## Cost Of Living Adjustments

APEX provides an inflation protection through a Cost of Living Adjustment (COLA). After you begin receiving your pension, the amount you receive will be increased each January to help offset the effect of inflation. Currently, the APEX COLA adjustment is 60% of the **Alberta Consumer Price Index (ACPI)**.

Plan members who received a pension for less than 12 months in the previous year receive a pro-rated adjustment.



# When You Can Retire

**Members can choose to begin receiving their pension anytime between the age of 55 and December 31 of the year they turn 71.**

In general, the later you retire – or the more eligible service you have – the larger your pension will be.

## Unreduced Pension

You will receive an unreduced pension when:

- You reach your 85 factor. This factor is the combination of your age and contributory LAPP service, or
- You reach age 65.

**For example:** You are 60 years old with 25 years of pensionable service.

$$60 + 25 = 85 \text{ index}$$

## Reduced Pension

You will receive a reduced pension if:

- You have not hit your 85 factor, or
- You are under age 65.  
(Your reduction factor will be the lesser of the two scenarios above. The maximum reduction is 30%)

**For example:** You are 55 years old with 25 years of LAPP pensionable service.

$$55 + 25 = 80 \text{ factor}$$

**For example:** You are 10 years under age 65, and 5 years short of your 85 factor. 5 is the lower number.

Your pension will be reduced by:

$$5 \text{ years} \times 3\% = 15\%$$

## Early Retirement Table

Below is the APEX Early Retirement Table. The table will provide the percentage of pension payable you are entitled to when combining both age and LAPP years of service.

Years of Service	Percentage of Pension Payable										
	AGE 55	AGE 56	AGE 57	AGE 58	AGE 59	AGE 60	AGE 61	AGE 62	AGE 63	AGE 64	AGE 65
<b>20 or less</b>	70%	73%	76%	79%	82%	85%	88%	91%	94%	97%	100%
<b>21</b>	73%	76%	79%	82%	85%	88%	91%	94%	97%	100%	100%
<b>22</b>	76%	79%	82%	85%	88%	91%	94%	97%	100%	100%	100%
<b>23</b>	79%	82%	85%	88%	91%	94%	97%	100%	100%	100%	100%
<b>24</b>	82%	85%	88%	91%	94%	97%	100%	100%	100%	100%	100%
<b>25</b>	85%	88%	91%	94%	97%	100%	100%	100%	100%	100%	100%
<b>26</b>	88%	91%	94%	97%	100%	100%	100%	100%	100%	100%	100%
<b>27</b>	91%	94%	97%	100%	100%	100%	100%	100%	100%	100%	100%
<b>28</b>	94%	97%	100%	100%	100%	100%	100%	100%	100%	100%	100%
<b>29</b>	97%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
<b>30+</b>	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

## Postponed Pension

If you choose not to retire at an early or normal retirement date, you can postpone your pension as late as December 31 of the year you turn age 71. You must start your pension by this time as per CRA. If you have not made the decision to start your pension, your pension will begin automatically.

Once you start receiving your pension, it will be paid monthly for the rest of your life. This section briefly explains the retirement process.



## Deferral Of Pension

You may defer receipt of your APEX and/or LAPP pension to a future date. Although not specifically required, it is recommended that you begin both pensions at the same time to help ensure that your APEX pension does not decrease in value due to differences in any early retirement reduction that may be applied to your pension. If you elect to commence your LAPP pension, and defer your APEX pension to a later date, the early retirement reduction that will be applied to the calculation of your APEX benefit will be based on the early retirement reduction calculated at the date you start your APEX pension. Therefore there is a possibility that your combined LAPP and APEX pension may be reduced due to the difference in early retirement reductions for the different pension commencement dates.

In addition, while actuarial tables used to calculate optional forms of pension do not change often, there is a chance that the tables for the calculations could be updated due to actuarial standards changing during the deferral period.



# Your Retirement

## Applying For Your Pension

It's important to remember that your pension does not begin automatically, unless you are over the age of 71. You'll need to apply to start receiving your pension.

You must end your employment with your APEX employer before you can receive your pension.

The retirement process starts with your Notice of Termination, provided to APEX by your employer. You will then be provided with a Benefit Options Package which includes the options available to you as well as all of the forms, and instructions for their completion, needed to begin your pension.

To start receiving your pension, you will also need to provide proof of age documents for both yourself and your pension partner (if applicable).

Under pension legislation, you must elect the same form of pension under LAPP and APEX. Before starting your APEX monthly pension we will require proof of the form of pension you elected under LAPP.

## Giving Notice

In general, you should give your employer at least 90 days' notice to ensure that you start receiving your pension as desired. If your pension does start late, you will be paid retroactively for all payments owed.

Send APEX a copy of the following:

- Birth certificate, valid passport, or a current drivers' license
- Your Social Insurance Number as well as your spouse's (if applicable) as APEX cannot pay a benefit without it

If you have a pension partner, then send APEX a copy of the following as well:

- Pension partner's birth certificate, valid passport, or a current drivers' license
- Marriage certificate or proof of name change if you or your pension partner's name does not match the proof of age document

You must also complete a Declaration of Pension Partner Status form, which will be included with your options package.

## The Small Pension Rule

If your pension is considered to be a small amount under the EPPA, and under the terms of the APEX Plan Text, you will have the choice to transfer the Commuted Value (CV) to an RRSP or receive a taxable cash payment in lieu of a monthly pension.

## Recalculation Of Benefit

The *Employment Pension Plans Act* requires that pension benefits be recalculated after 180 days have passed since terminating from the plan. Should you delay making your pension choice for more than 180 days, your benefit options must be recalculated at the date that you made your choice.

Should your choice be to receive the Commuted Value of your pension as a lump-sum payment, delaying your choice can have an impact on the dollar value of your payment. This is because the Commuted Value is calculated using the valuation funding rate at the time of recalculation. If a new valuation has been filed during the deferral period, a change in the interest rate used in the valuation may cause your Commuted Value to either increase or decrease. In addition, the early retirement reduction, if any, applied in the deferred calculation will be based on your age at the recalculation date, which may result in a different reduction rate applied to the calculation than the reduction rate used at the date you commenced receiving your LAPP pension.

# Pension Options

**There are different pension options available at retirement, dependent on whether you have a pension partner or not. The pension option you choose will affect the amount of your monthly pension.**

Each pension option provides a different survivor benefit in the event you pass away after retirement. You must choose the same form of pension under LAPP and APEX at retirement under CRA regulations.

## 2024 APEX Pension Changes

Effective January 1, 2024 minor changes have been made to the APEX Supplementary Pension Plan to bring it into alignment with the changes made to LAPP. APEX now has a new normal form of pension for a member with a pension partner.

The Revised & Restated APEX Supplementary Plan Text is available at the [Alberta Municipalities website](#).

## Single Life Pension

If you are single, you are eligible for the following pension:

### ***Single Life Pension Guaranteed 10 Years***

This option is payable for your lifetime and includes a ten-year guarantee. The guarantee period starts from the effective date of the pension.

If you pass away before 120 payments have been made, a lump-sum amount of the remaining guarantee shall be paid to your beneficiary(ies). As per law, income tax must be removed from this amount before it is paid.



## Joint And Survivor Pensions Guaranteed 5 Years

Joint and Survivor Pensions are calculated on the basis of two lives – yours and a pension partner. Your pension partner cannot be changed once your pension starts. A pension is paid for your lifetime and your pension partner's lifetime. The guarantee period starts from the effective date of the pension.

You may choose:

### **1. Joint Lifetime Guaranteed 5 Years**

If your pension partner passes away first, the pension payments stay the same and continue to you for your lifetime. If you pass away first, the pension payments stay the same and continue to your pension partner for their lifetime.

If you both pass away before 60 payments have been made, a lump-sum amount of the remaining guarantee shall be paid to your beneficiary(ies). As per law, income tax must be removed from this amount before it is paid.

### **2. Joint Lifetime Guaranteed 5 Years Reduced by 1/3 on Member Death Only**

If you pass away first, two-thirds of the pension continues to your pension partner.

If your pension partner passes away first, your pension payment stays the same and continues for your lifetime.

If you both pass away before 60 payments have been made, a lump-sum amount of the remaining guarantee shall be paid to your beneficiary(ies). As per law, income tax must be removed from this amount before it is paid.

## Choosing Your Option

If you have a pension partner at retirement, you must choose one of the two joint and survivor options. Your pension partner can waive the right to the joint pension by completing a pension partner waiver. Form will be provided with your pension option package.

If you don't have a pension partner, you must choose the single life option.

The pension partner waiver must also be completed and signed if you choose to receive the CV of your pension as a lump-sum payment.

APEX will provide you with a retirement options package that will outline all of the pension options and associated amounts at retirement or termination from the Plan.

## Things To Consider

Only you can decide which pension option is right for you.

You should consider:

- your age
- health
- dependents
- family and financial situation
- lifestyle
- income needs
- future plans, and
- any other factors that may apply to your personal situation

## Commuted Value

The Commuted Value (CV) is the lump-sum value of your pension. It can be thought of as the amount of money that is required to be set aside today and invested until retirement to provide retirement income. On your retirement date those funds along with your investment income must be used to purchase some form of lifetime retirement income. The CV calculation is based on factors such as your age, assumed life expectancy, projected inflation, and discount interest rates in effect at the calculation date.

Upon termination from the plan, you can transfer your CV from the plan. Subject to *Income Tax Act* limits – a portion will be tax sheltered through a Locked-In Retirement Account (LIRA) while the remaining amount can be taken as taxable cash or transferred to an RRSP if you have contribution room.

Keep in mind that your spouse must sign a waiver acknowledging that they will not receive any benefits from the Plan.

If you withdraw your funds, you will no longer be entitled to a benefit or survivor benefits from the Plan.

Cost of living adjustment (COLA) increases are applied on the commuted value calculation for service up to December 31, 2019 only. APEX plan members who elect to receive a monthly pensioners from the Plan receive COLA on all pensionable service, including pensionable service earned after December 31, 2019.

The plan valuation funding interest rate implemented for calculation of commuted value amounts and interest rate applied to plan member contributions, along with the 100% excess test.



# Life Events

## Taking A Leave

A great way to increase your contributory service is to continue paying your contributions when you are on an approved leave from your employer. As long as you continue to contribute to both LAPP and APEX, your service will continue to accrue. You cannot accrue a leave under APEX if you have not made payments under LAPP. You can choose to only contribute to LAPP during your leave, but this service will not count towards your APEX service.

You will need to provide the Alberta Municipalities office with proof that you were on an approved leave from your employer.

There is no option to purchase leave under APEX. The contributions must be remitted to your employer on a regular basis throughout the duration of the leave period.

There are also limits under the ITA in accruing pensionable service for leave purposes. You cannot take more than five (5) years for parental purposes and three (3) years for personal reasons, for a cumulative total of eight (8) years in a lifetime. If you accumulate more than the allotted amount, it will not be considered pensionable.

Disability leave is exempt from this exception.

## Terminating Employment

If you terminate employment with your APEX employer, or, if you transfer to an ineligible position, your membership in the Plan ends and you will need to make a decision about what you plan to do with your APEX pension. APEX will provide you with a detailed explanation of your options when you end your employment. Here are the choices that may be available to you:

- **Join another APEX employer:** If you go work for another APEX employer and enroll in the Plan, you can continue to grow your pension.
- **Deferred pension:** You can leave your pension in APEX and collect your monthly benefit when you retire. You must be at least age 55 to start your pension, and you must begin receiving it by December 31 in the year in which you turn age 71.
- **Transfer to another registered pension plan:** You may transfer the value of your APEX benefits to your new employer's pension plan.
- **Transfer your pension as a lump sum to a locked-in retirement account (LIRA):** You can transfer the Commuted Value of the pension you have earned – subject to *Income Tax Act* limits – to a LIRA. Anything in excess of the *Income Tax Act* limit can be taken as taxable cash or transferred to a RRSP if you have the necessary room. Keep in mind that if you have a pension partner, your pension partner must sign a waiver acknowledging that they will not receive any benefits from the Plan. If you withdraw your funds, you will no longer be entitled to a benefit or survivor benefits from the Plan.

## Shortened Life Expectancy

If a licensed Canadian doctor gives a medical opinion that you have a life expectancy of less than two years, you may be eligible to unlock and withdraw funds from your pension.

Your pension partner, if you have one, must also give their consent to withdraw the funds. Please contact Retirement Services for more information.

## Getting Married Or Obtaining Common-Law Status

Under the EPPA, your pension partner or common-law spouse is defined as:

- Individuals who are married to each other and had not been living separately and apart continuously for more than 3 years, or
- Individuals who are living together in a common-law relationship
  1. continuously for at least three years, or
  2. of some permanence, if there is a child of the relationship by birth or adoption

## Beneficiary/Pension Partner And Information Change

You are required to advise APEX of any changes to your relationship status and any beneficiary changes you'd like to make. Contact us for the appropriate form. Please be aware that you cannot update this information over the phone.

It is also very important to keep your personal information up to date with APEX to receive timely information.

## Ending Your Relationship Before Pension Commencement

Pensions are considered matrimonial property and may be shared as the result of a court order in the event of a breakdown of marriage or common-law relationship.

If the pension has not yet commenced, a Plan member's former spouse will generally be entitled to an immediate one-time lump-sum payment of a portion of the Plan member's benefits under the Plan. This portion must not exceed 50% of the Plan member's pension benefit earned during the time the parties were married.

Because APEX must comply with all legislative provisions, you should give APEX the opportunity to review any court order before it is made.

**Please contact Retirement Services if you require more information.**

## Ending Your Relationship After Retirement

If you separate from your pension partner after retirement, he/she may be eligible for immediate division of the pension in pay or commuted value of that amount.

They will remain your pension partner and still be entitled to a survivor benefit upon your death.

## Returning To Work After Retirement

Your APEX pension will not be affected if you decide to return to work after retirement.

If you decide to return to work with an APEX employer, you will not be able to re-enroll in the plan once you are receiving pension benefits. Make sure to inform your APEX employer that you are currently in receipt of a pension so that contributions are not deducted from your pay.

Keep in mind that working and collecting a pension may have some impact on your income tax. You may want to discuss this with your advisor before making any final decisions.

If you decide to work with a non-APEX employer, you may be eligible to join your new employer's pension plan.







# Survivor Benefits

**You can rest assured knowing that APEX provides for your pension partner and beneficiary(ies) in case you pass away.**

Your pension partner is, by law, entitled to receive survivor benefits when you pass away. If you don't have a pension partner, your beneficiary may be entitled to receive survivor benefits. A beneficiary can be a person or persons, or organization you choose. If you don't choose a beneficiary, or if your beneficiary passes away before you, any benefits payable upon your death will go to your estate as a lump-sum amount. As per law, income tax will be withheld from this amount.

## Waiving Survivor Benefits

You and your pension partner can choose to waive the right to survivor benefits. Waiving this entitlement means your pension partner will not receive a monthly survivor benefit if you pass away first. Instead, APEX will pay any survivor benefits to your beneficiary(ies) when you pass away.

Remember that your pension partner can revoke this waiver at any time and choose to take the benefit.

## If You Pass Away Before Retirement

Your pension partner will receive either a lifetime monthly pension or a lump-sum payment that represents the value of your pension.

If you do not have a pension partner, your beneficiary(ies) will receive a lump-sum amount representing the value of your pension. This amount is taxable income in the year in which it is paid and is subject to mandatory withholding of tax.



## If You Pass Away After Retirement

### **With a pension partner**

Your pension partner will receive either 66 2/3%, or 100% of your monthly benefit, depending on the choice you made at retirement, for the rest of their life. If both you and your pension partner pass away before the end of the 60 months of payments, the remaining payments will go to your beneficiary(ies) or, if there are none, to your estate.

### **Without a pension partner**

If you do not have a pension partner at retirement, and you pass away before receiving 120 months of payments, your beneficiary(ies) will be eligible to receive a survivor benefit. Your beneficiary(ies) will receive this benefit as a lump-sum payment representing the value of the remaining payments.

# We're here for you

You can get information about your pension and the Plan in the following ways.



## Online

Visit [abmunis.ca](https://abmunis.ca) to learn about your Plan features.



## Retirement Services

More information is available by calling Alberta Municipalities Retirement Services at 780.433.4431 or toll-free at 310.MUNI (6864), Monday through Friday, 8:15 a.m. to 4:30 p.m.

If you prefer, send us an email at [retirement@abmunis.ca](mailto:retirement@abmunis.ca).

# Commonly Used Pension Terms

**Alberta Consumer Price Index:** The monthly values index published by Statistics Canada measuring the cost of a defined basket of goods and services.

**Beneficiary:** If you do not have a pension partner, or if the benefits have been waived, the beneficiary is the person(s) or organization you designate to receive any benefits which may be payable when you pass away.

**Commutated Value (CV):** The Commuted Value (CV) is the lump-sum value of your pension. It can be thought of as the amount of money that is required to be set aside today, based on the discount rate to fund the Plan, to provide you your pension at your retirement date. The CV changes based on factors such as age, life expectancy, inflation, and discount interest rate.

**Contributory service:** The length of time you have contributed to APEX. Contributory service is used to calculate your pension.

**Defined benefit pension plan:** A plan that uses a formula that considers your service in the Plan and average salary to determine the amount of your retirement pension.

**Defined Benefit Limit (ITA DB Limit):**

The maximum amount of annual pension payable from a registered pension plan in respect of a year of pensionable service as prescribed under the *Income Tax Act (ITA)*.

**Highest average salary:** This is the average of your highest consecutive 60 months of salary based on your annual full-time salary rate. The average salary is used in the pension formula.

**Normal retirement age:** The normal retirement age is 65.

**Pensionable service:** The years and fractions of years of continuous service while you are a contributing participant of APEX. APEX service accrual and contributions cease upon attainment of 35 years of LAPP service.

**Pension partner:** Is defined as one of two individuals who:

- are married to each other and had not been living separately and apart for a continuous period longer than 3 years, or
- are living together in a common-law relationship
  1. *continuously for at least three years, or*
  2. *of some permanence, if there is a child of the relationship by birth or adoption*

**Salary:** Remuneration that is regarded by the participating employer as pensionable salary for the purposes of the LAPP.

**YMPE:** Year's Maximum Pensionable Earnings in accordance with the provisions of the Canada Pension Plan.





## **Connect**

300, 8616 51 Avenue  
Edmonton, AB T6E 6E6

780.433.4431 | 310.MUNI

**abmunis.ca**