

EDMONTON

Pension Guide for City of Edmonton Fire Fighters' Supplementary Pension Plan

January 2010

GREAT PEOPLE
BUILDING A GREAT CITY

THE CITY OF
Edmonton

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Introduction

NOTE:

Words that are both Title Case and dot underlined are defined in the Glossary of Terms, included at the beginning of this Guide.

We encourage you to keep this Guide handy for future reference and to provide answers to any questions you may have. In addition to the information contained in this Guide, you can expect to receive a personalized pension statement each year indicating the value of your pension benefits earned under the FFSP.

This *Guide* outlines some of the highlights of the *City of Edmonton Fire Fighters' Supplementary Pension Plan* (FFSPP). If there is a question of interpretation about the information presented in this *Guide*, Part III of the Collective Agreement and any legislated requirements will prevail. The *Guide* is not designed to be exhaustive and it is strongly suggested that members consult Part III of the Collective Agreement between the City and the Edmonton Fire Fighters Union (Union). Information in this *Guide* is not intended to encourage members to select any particular option. It is recommended that you obtain your own independent financial and legal counsel before making any pension decisions. Members are reminded that the FFSPP may be amended, altered or terminated as a result of collective bargaining.

The FFSPP supplements the benefits you have earned as a member of the Local Authorities Pension Plan (LAPP). As the City is not the administrator of the LAPP, any details of the LAPP contained in this *Guide* are provided only to illustrate how the FFSPP supplements the LAPP.

The *Guide* is presented in three sections:

How Your FFSPP Works summarizes FFSPP details including eligibility, Vesting and contributions.

Retirement Examples answers additional questions you may have as to how these pension arrangements may affect your retirement. It also provides further details on what to expect as your retirement date approaches.

Life Events is important information about what happens to your pension if you experience a life event (e.g. death, disability, etc.).

A *Glossary of Terms* is included at the beginning of this *Guide*.

Contact information is included at the end of this *Guide*.

Plan Highlights

Following are some of the highlights of the FFSPP:

- FFSPP and LAPP*** • The FFSPP and the LAPP are Registered Pension Plans (FFSPP Registration number is 0409110). The FFSPP supplements the pension provided by the Local Authorities Pension Plan (LAPP). For example, the FFSPP permits earlier retirement than the LAPP, an additional pension and additional survivor benefits.
- Type of plan*** • The FFSPP is a Defined Benefit Pension Plan. The FFSPP provides a pension based on your Average Pensionable Earnings and your years of FFSPP Pensionable Service.
- Contributions*** • Both you and the City contribute to the FFSPP. For up to date Current Service Costs, please see **For More Information** in this *Guide*.
- Vesting*** • Your benefits are Vested after 2 years of continuous plan membership.
- Retirement age*** • Normal retirement age is 60 under the FFSPP. You must retire and begin receiving a pension benefit from the FFSPP no later than the first day following your 60th birthday.
- Early retirement*** • You may retire as early as 50 if you have at least 2 years of continuous plan membership, or when you have 30 years of Pensionable Service, if earlier.
- Retirement benefit prior to age 65*** • Your annual retirement benefit prior to age 65 is equal to 2% of your Average Pensionable Earnings for every year of Pensionable Service, to a maximum of 35 years, less the Normal LAPP Pension.
- Retirement benefit after age 65*** • At age 65, your annual FFSPP pension will be reduced by 0.6% of your Average Contributory Earnings for every year of Pensionable Service.
- Cost of living adjustments*** • Pensions in pay and deferred pensions are increased each year based on a percentage of the change in the Consumer Price Index.
- Termination or death benefit, if vested*** • The FFSPP provides a benefit should you terminate employment or pass away prior to retirement. For details, see **Life Events** in this *Guide*.

Glossary of Terms

NOTE:

Words that are both Title Case and dot underlined are defined in this section of the Guide.

Actuarial Reserve Cost: An amount equal to the lump-sum value of a member's future pension benefit. This cost ensures that a member's decision to buy Previous Service is cost neutral to the FFSP, meaning the FFSP does not subsidize any part of the increased benefit a member will receive by purchasing their Previous Service. The Actuarial Reserve Cost is different for every member, and depends upon the member's age, service, and salary.

Approved Leave of Absence: An approved leave of absence of greater than 10 days granted to a member by the City and which is recognized for pension purposes under the LAPP.

Average Contributory Earnings: The average of the earnings upon which you contributed to the Canada Pension Plan for the 4 consecutive years during which your pensionable earnings were at their highest.

Average Pensionable Earnings (FFSP): The average of your basic rate of pay for the 4 consecutive years during which your pensionable earnings were at their highest. Pensionable earnings include service pay, acting pay, pay in lieu of statutory holidays and statutory holiday pay or other remuneration as allowed under LAPP and which are adopted in writing by the City and the Union.

Commuted Value: The amount of money paid in a lump sum today that is equal in value to your future expected pension payments.

Current Service: Current period of employment with the City on or after January 1, 1973 during which contributions to the FFSP are made and includes leaves of absence of less than or equal to 10 days.

Current Service Cost (under the FFSP): The cost, as determined by the actuary, of the benefits that will be earned on a go-forward basis under the FFSP.

Defined Benefit Pension Plan: Under a Defined Benefit Pension Plan, the benefit you are entitled to receive is based on your years of pensionable service and average pensionable earnings. The FFSP is a Defined Benefit Pension Plan, which is financed by member and employer contributions and by investment earnings. A Defined Benefit Pension Plan enables members to estimate future pension income with some degree of accuracy.

Dependent Children: A child of a member or a child who is financially dependent on and living with a member and who is less than 18 years old.

Edmonton Consumer Price Index (CPI): The CPI published by Statistics Canada measures the changes in a fixed basket of goods in Edmonton. Changes to the Edmonton CPI are used as an indication of inflation.

Excess Employee Contributions: The amount by which your Current Service contributions made after 1996 plus interest exceeds 50% of the Commuted Value of your FFSP benefit for the same period of service. This is determined at retirement, termination or death. Optional Service and the cost of that service, including interest are not included in determining Excess Employee Contributions.

Excess Optional Service Contributions: The amount by which your total Optional Service contributions plus interest exceeds the Commuted Value of your benefit earned due to Optional Service. This is determined at retirement, termination or death.

Local Authorities Pension Plan (LAPP): A Defined Benefit Pension Plan for employees of local authorities in Alberta. This includes cities, towns, municipalities, schools, hospitals and many other public sector organizations.

Locked-in Retirement Account (LIRA): A type of RRSP that is locked in, meaning the funds cannot be withdrawn until retirement. The funds must be used to provide a regular lifetime pension income before the end of the year in which you turn age 71. Special unlocking under the *Employment Pension Plans Act* may apply to some portion of the funds.

Normal LAPP Pension: Pension deemed to be payable under the LAPP for the purpose of determining the amount of the supplementary pension you will receive from the FFSP. If you do not have a Spouse, the Normal LAPP Pension is deemed to be payable for your lifetime or for 5 years, whichever is longer. If you have a Spouse, the Normal LAPP Pension is deemed to be a joint life pension reducible by one-third upon the death of either you or your Spouse.

Optional Service: Includes your Previous Service and any service purchased due to an Approved Leave of Absence.

Pensionable Service: Includes your current period of employment with the City while a member of the Union during which contributions to the FFSP have been made, and includes any Optional Service that

you have purchased under the FFSP. The maximum number of years of Pensionable Service is 35.

Previous Service: Service recognized for pension purposes under the LAPP for which Current Service has not accrued under the FFSP. Before May 8, 2008, Previous Service includes an Approved Leave of Absence. Previous Service is only recognized under the FFSP when contributions for Previous Service are made. An Approved Leave of Absence that was applied for on or after May 8, 2008 is not included in Previous Service.

Registered Pension Plan: An employer-sponsored pension plan that has been approved by and registered with the Canada Revenue Agency (formerly Revenue Canada) and the provincial regulatory body.

Spouse: The person to whom you are legally married and have not been living separate and apart for 3 or more consecutive years, **or** if no such person exists, the person who has lived with you in a marriage-like relationship

- for at least 3 years immediately preceding the relevant time, or,
- if the relationship is of some permanence and there is a natural or adopted child of the relationship.

Union (or EFFU): Edmonton Fire Fighters' Union or its successor.

Vesting: Vesting means you are eligible to receive a pension or the Commuted Value of a pension.

Year's Maximum Pensionable Earnings (YMPE): The YMPE is based on the annual average wage in Canada as defined and calculated by the federal government. It is used to calculate Canada Pension Plan contributions and benefits. The YMPE is adjusted each year to reflect changes in the average industrial wage.

How Your Fire Fighters' Supplementary Pension Plan Works

NOTE:

Words that are both Title Case and dot underlined are defined in the Glossary of Terms, included at the beginning of this Guide.

Eligibility

You begin participating in the FFSP on your first day of work that you are subject to the collective agreement between the City and the Union.

Contributions

Employee Contributions

You contribute 45% of the Current Service Cost to the FFSP. No contributions are required after 35 years of Pensionable Service. The Current Service Cost can change after each actuarial valuation. For up to date Current Service Costs, please see **For More Information** at the end of this *Guide*.

These contributions are in addition to your contributions to the LAPP.

You will earn interest on your FFSP contributions. The annual rate of interest is based on the average yield of 5-year personal fixed term deposit rates in Canada. This rate can change every year.

Employer Contributions

The City contributes 55% of the Current Service Cost to the FFSP. This is in addition to the contributions that the City makes to the LAPP on your behalf.

Deficits

The City and FFSP members share any unfunded liability costs that arise. The City share is equal to 55% of the special unfunded liability payment and the member cost is equal to 45% of the special unfunded liability payment.

When You Can Retire

You are eligible to retire and receive an FFSPP pension as early as age 50 with at least 2 years of continuous plan membership or at any age if you have at least 30 years of Pensionable Service.

Normal retirement age is 60 under the FFSPP. You must commence your pension no later than the first day following your 60th birthday.

Retirement before age 55 if you have at least 30 years of Pensionable Service.

How to Calculate Your FFSP Pension

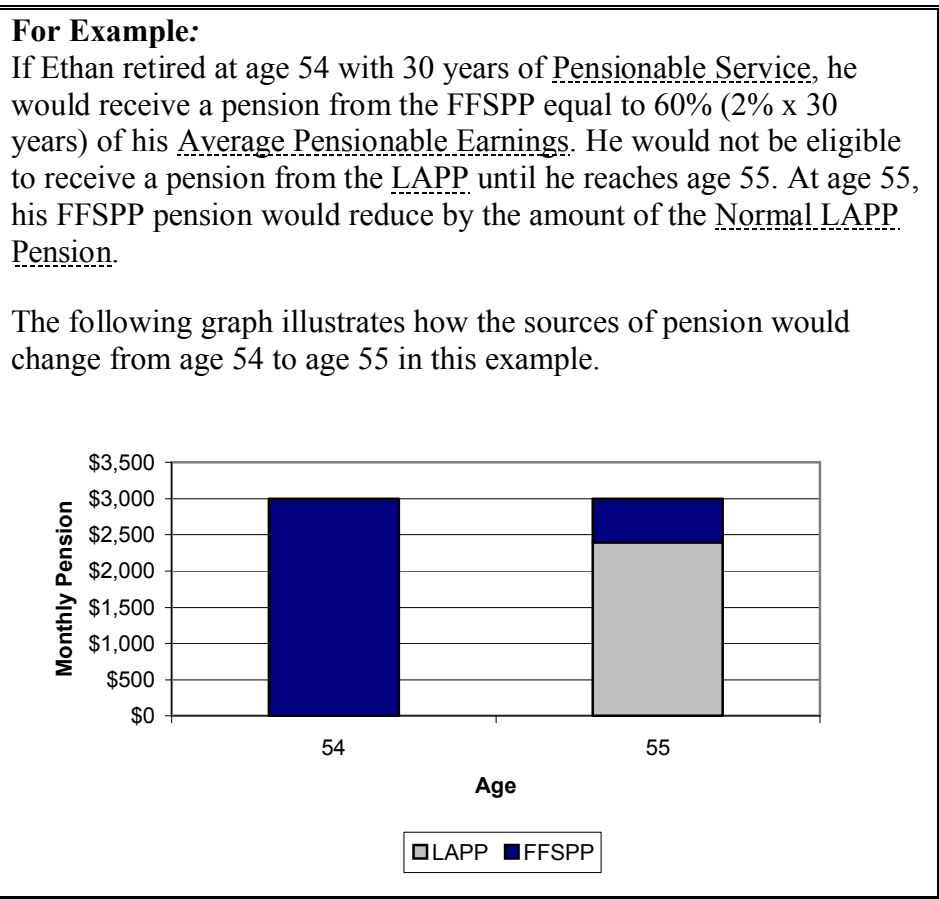
If you retire before age 55 and have at least 30 years of Pensionable Service...

The annual pension from the FFSP is equal to:

- 2% of your Average Pensionable Earnings multiplied by Your number of years of Pensionable Service
- At age 55, your annual FFSP pension will be reduced by your Normal LAPP Pension
- At age 65, your annual FFSP pension will be reduced by: 0.6% of your Average Contributory Earnings of Pensionable Service multiplied by Your number of years of Pensionable Service

Example

This graph shows that the pension payable prior to age 55 comes from the FFSP only. Upon attaining age 55, the FFSP is reduced by the Normal LAPP Pension. The LAPP pension begins at age 55. The FFSP pension tops up the LAPP. For simplicity, this illustration ignores the effect of any COLA.



Retirement on or after age 55 with at least 2 years of continuous plan membership.

If you retire on or after age 55 with at least 2 years of continuous plan membership . . .

The annual pension from the FFSP is equal to:

- 2% of your Average Pensionable Earnings
multiplied by
Your number of years of Pensionable Service
less
Your Normal LAPP Pension.

- **At age 65**, your annual FFSP pension will be reduced by: 0.6% of your Average Contributory Earnings
multiplied by
Your number of years of Pensionable Service.

Example

For Example:

Drew retires at age 56 with 25 years of Pensionable Service. His Average Pensionable Earnings are \$70,000 and his Normal LAPP Pension is \$27,500. He will receive a pension from the FFSP equal to 50% (2% x 25 years) of \$70,000 (his Average Pensionable Earnings), reduced by the amount of \$27,500 (the Normal LAPP Pension). This results in \$7,500 (50% of \$70,000 minus \$27,500). When Drew reaches age 65, his pension will reduce by \$5,700 (0.6% x 25 years x Average Contributory Earnings).

Retirement at age 60 with any amount of service.

If you retire on your 60th birthday . . .

The annual pension from the FFSP is equal to:

- 2% of your Average Pensionable Earnings
multiplied by
Your number of years of Pensionable Service
less
Your Normal LAPP Pension

- **At age 65**, your annual FFSP pension will be reduced by: 0.6% of your Average Contributory Earnings
multiplied by
Your number of years of Pensionable Service.

Retirement before age 55 if you have less than 30 years of Pensionable Service

If you retire before age 55, have less than 30 years of Pensionable Service and have at least 2 years of continuous plan membership . . .

The pension you will receive from the FFSP will be equal to the value of the pension if it was payable from age 55.

The annual pension payable from age 55 is equal to:

- 2% of your Average Pensionable Earnings ***multiplied by***
Your number of years of Pensionable Service ***less***
Your Normal LAPP Pension.
- **At age 65**, your annual FFSP pension will be reduced by: 0.6% of your Average Contributory Earnings ***multiplied by***
Your number of years of Pensionable Service

You may begin receiving the pension before age 55, but it will be reduced. Because of your earlier start date, it is assumed that you will receive more pension payments. The value of the reduced pension will be equal to the pension payable from age 55.

Example

For Example:

Fred retires before age 55 with less than 30 years of Pensionable Service. Fred's FFSP pension payable at age 55 is equal to \$800 per month. It has a value of \$100,000. Fred's FFSP pension payable before age 55, \$725 per month, also has a value of \$100,000. In this example, the value of the \$725 pension starting before age 55 is equal to the value of the \$800 pension starting at age 55.

Retirement before age 60 with less than 2 years of continuous plan membership

If you retire before age 60 with less than 2 years of continuous plan membership . . .

You are not eligible to receive a pension from the FFSP.

Maximum Pension

The total amount of your FFSP pension, when added to your LAPP pension, is subject to maximum limits under the *Income Tax Act*.

Cost of Living Adjustment (COLA)

Adjustments to your FFSP pension will be made each January 1st to accommodate increases in the cost of living. Adjustments are made to a pension that is being paid and also to a deferred pension.

The COLA will be equal to the **greater of** the following:

- The COLA made to the LAPP, or
- The annual change in the Edmonton CPI to a maximum of 2%. Calculations are based on a November year-end.

Example

For Example:

The COLA granted under the LAPP is equal to 1.6%.

The annual change in the Edmonton CPI is equal to 2.2%. Under the FFSP, the maximum change is 2%.

The COLA under the FFSP is equal to the greater of 1.6% or 2%.

Therefore, the COLA under the FFSP in this example is equal to 2%.

Applying for your Retirement Pension

You must submit a written application not more than 90 days before the date you want to start receiving your pension. Applications can be obtained by contacting the City of Edmonton. Please refer to **For More Information** at the back of this *Guide* for the contact information.

How Your FFSP Pension is Paid to you After Retirement

Pension payable for your life

Lifetime pension payable....

The FFSP pension is payable on a monthly basis at the end of the month for your lifetime or the term of 5 years (60 monthly payments), whichever is longer.

If you have a Spouse at retirement, you must receive a pension during your lifetime with at least 60% of your pension continuing to your Spouse after your death. Your Spouse may waive the right to this pension within 90 days of your pension commencement date.

How Your FFSP Pension is Paid Upon Your Death After Retirement

Upon your death after you retire, the benefit that is payable from the FFSP depends on whether or not you had a Spouse on the date your pension payments commenced to be paid.

If you don't have a Spouse

Pension payable upon your death following retirement if you don't have a Spouse . . .

If you die before 60 monthly payments have been made and are not survived by a Spouse, the Commuted Value of the balance of your monthly payments will be paid to your beneficiary or estate.

If you die after 60 monthly payments have been made and are not survived by a Spouse, your pension will cease in the month following your death.

If you have a Spouse and your Spouse does not sign a waiver.

Pension payable upon your death following retirement if you have a Spouse and your Spouse does not sign a waiver . . .

Upon your death, the FFSP pension will reduce by 40% and be payable to your surviving Spouse. The pension will have the same value as the FFSP pension if your Spouse signs a waiver.

Example

For Example:

Jay retires with a Spouse. His Spouse does not sign the appropriate waiver form within 90 days of Jay's pension commencement date. Jay will be entitled to a joint FFSP pension equal to \$600 per month. Upon Jay's death, payments continue to his surviving Spouse equal to 60% of \$600, or \$360 per month. For simplicity, this example ignores the effect of any COLAs.

If your Spouse signs a waiver and you die before age 55

Pension payable upon your death following retirement if your Spouse signs a waiver and you die before age 55...

Upon your death, your surviving Spouse will receive a pension equal to 50% of the sum of your Normal LAPP Pension and the FFSP pension which you would have received, less the pension your Spouse is entitled to receive from the LAPP based on the Normal LAPP Pension.

A spousal waiver form is available from the City. It must be completed in the prescribed manner.

The FFSP pension payable to your Spouse must be at least equal to 50% of the FFSP pension that you would have received if you were 55 years old.

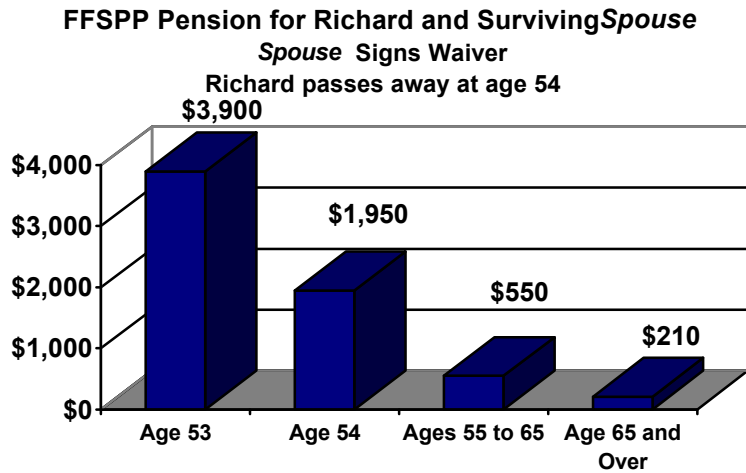
On the first of the month following the month that you would have turned age 65, your surviving Spouse's pension will be reduced by 0.3% of your Average Contributory Earnings for each year of Pensionable Service.

If your surviving Spouse dies before a combined total of 60 monthly payments have been made to you and your Spouse, the Spouse's estate will receive a lump sum equal to the Commuted Value of the balance of the 60 monthly payments. The surviving Spouse's pension will cease if the surviving Spouse dies after a combined total of 60 monthly payments have been made to you and your Spouse.

This example shows the death benefit that would be payable where a member's Spouse signs the waiver form.

Example

For Example: Richard retires at age 53 with a Spouse. His Spouse signs the appropriate waiver form within 90 days of Richard's pension commencement date. On his pension commencement date, Richard begins to receive a pension equal to \$3,900 per month. Richard passes away at age 54. His Spouse will receive a pension equal to \$1,950, (50% of \$3,900). When Richard would have reached age 55, the pension will reduce by \$1,400 (the pension Richard's Spouse is entitled to receive from the LAPP). This \$550 pension (\$1,950 minus \$1,400) is at least equal to 50% of the FFSP pension that Richard would have received if he had survived to age 55. When Richard would have reached age 65, his Spouse's pension will reduce by \$340 to \$210 per month. For simplicity, this example ignores the effect of any COLA.

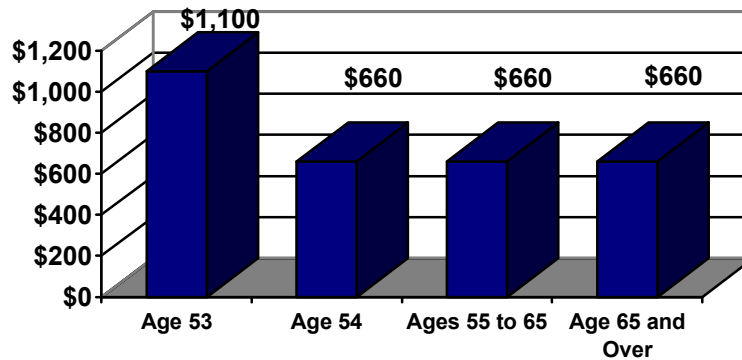


This example shows the death benefit that would be payable where a member's Spouse does not sign the waiver form.

Example

Now suppose Richard's Spouse did not sign the appropriate waiver form within 90 days of Richard's pension commencement date. On his pension commencement date, Richard begins to receive a joint pension equal to \$1,100 per month. Richard passes away at age 54. His Spouse will receive a pension equal to \$660 (60% of \$1,100) per month for the rest of her life. When Richard would have reached age 65, his Spouse's pension does not reduce. For simplicity, this example ignores the effect of any COLA.

FFSP Pension for Richard and Surviving Spouse
Spouse Does Not Sign Waiver
Richard passes away at age 54



If your Spouse signs a waiver and you die on or after age 55

Pension payable upon your death following retirement if your Spouse signs a waiver and you die on or after age 55...

Upon your death, your surviving Spouse will receive a lifetime pension from the FFSP equal to 50% of the monthly FFSP pension that you were receiving on the date of your death. On the first of the month following the month that you would have turned 65, the FFSP pension payable to your Spouse will be reduced by 0.3% of your Average Contributory Earnings for each year of Pensionable Service.

Example

For Example:

Pierre dies after age 55. His Spouse had signed a waiver before he retired. Pierre was receiving a \$7,000 annual FFSP pension.

Pierre's Spouse will receive an annual FFSP pension equal to \$3,500 (50% of \$7,000). Pierre would have turned age 65 on February 20, 2006. His Spouse's pension will reduce by \$2,500 on March 1, 2006.

If your surviving Spouse dies before a combined total of 60 monthly payments have been made to you and your Spouse, the Spouse's estate will receive a lump sum equal to the Commuted Value of the balance of the 60 monthly payments. The surviving Spouse's pension will cease if the surviving Spouse dies after a combined total of 60 monthly payments have been made to you and your Spouse.

*If your Spouse
predeceases you.*

Pension payable if your Spouse predeceases you...

If your Spouse predeceases you, and you are receiving a LAPP pension in the form of a joint reducible by 1/3 option, your LAPP pension will be reduced. You will receive an additional payment from the FFSP equal to the amount of the reduction under the LAPP attributable solely to the death of your Spouse.

The reduction of 0.6% of your Average Contributory Earnings for each year of service still applies on your 65th birthday.

*If your Spouse is
more than 10 years
younger*

Pension payable to your Spouse if your Spouse is more than 10 years younger than you

Upon your death, the pension benefit payable to your Spouse will be reduced so that it is equal in value to the pension that would have been payable if your Spouse was exactly 10 years younger than you.

Note: Words that are both Title Case and dot underlined are defined in the Glossary of Terms, included at the beginning of this Guide.

How to Increase Your Pensionable Service

Increasing your Pensionable Service is optional...

Members have the option to increase their Pensionable Service under the FFSP by purchasing Optional Service (Previous Service and/or an Approved Leave of Absence) if that service has been recognized as Pensionable Service under the LAPP, and the service is currently not Pensionable Service under the FFSP. When members buy Optional Service, they increase the amount of FFSP pension they will receive at retirement. Purchasing Optional Service may also permit a member to receive a larger pension before age 55 if they have at least 30 years of Pensionable Service.

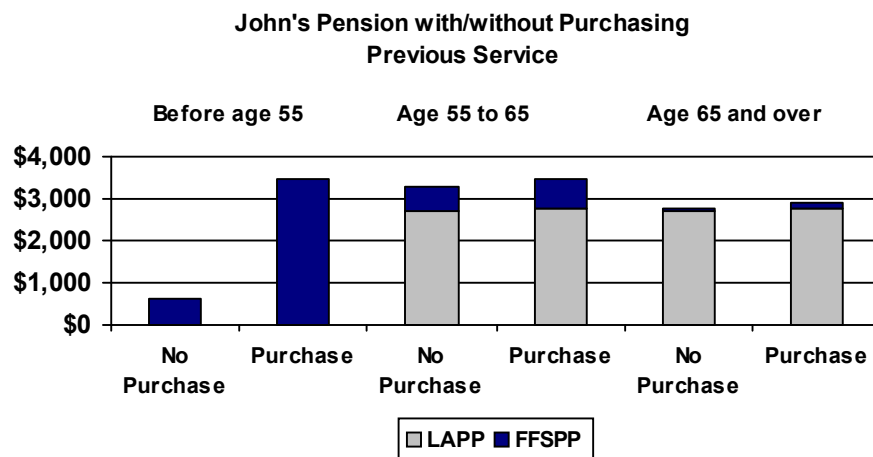
Example

Your pension before age 55 will be significantly higher if you have at least 30 years of Pensionable Service when you retire.

For Example:

Assume that John joins the City of Edmonton as a Fire Fighter and at the time that he joins the City, he has 1 year of Pensionable Service under the LAPP with another employer. This example shows how John's FFSP pension will increase if he buys the Previous Service. For simplicity, this example ignores the effect of any cost-of-living adjustments.

We assume that John has 29 years of FFSP Pensionable Service. If he buys 1 year of Previous Service, he will have 30 years of Pensionable Service under the FFSP. With 30 years of Pensionable Service, John will be eligible to receive a significantly higher FFSP pension before age 55.



If John purchases 1 year of Previous Service, his FFSP pension after age 55 also increases. His LAPP pension does not change if he buys Previous Service under the FFSP.

Purchasing an Approved Leave of Absence

A member may purchase an Approved Leave of Absence as long as the period is pensionable service under the LAPP. The Approved Leave of Absence must be applied for by the member on or after May 8, 2008 and by April 30 of the year following the year in which the Approved Leave of Absence terminated. A member's cost to purchase such an Approved Leave of Absence is equal to 100% of the Current Service Cost to the FFSP applied to the pensionable earnings in effect at the beginning of the Approved Leave of Absence, plus interest from the date that the Approved Leave of Absence began to the date of payment to the Plan.

Any application to purchase an Approved Leave of Absence that is received prior to May 8, 2008 or after April 30 of the year following the year in which the Approved Leave of Absence terminated shall be purchased at a cost equal to the Actuarial Reserve Cost.

A copy of the application form to purchase Optional Service is available by contacting the City of Edmonton. See the section entitled For More Information at the end of this Guide.

Purchasing your Previous Service

Members may purchase Previous Service. Members must pay the Actuarial Reserve Cost to purchase Previous Service. Members can elect to pay this cost in a lump sum within 90 days of the date that they are advised of the cost or over a maximum period of 10 years by payroll deduction. If the member chooses to make payments by payroll deduction, interest will be charged from the costing date throughout the installment period.

Interest

You will earn interest on your Previous Service and Approved Leave of Absence contributions. Together, these contributions are referred to as Optional Service contributions. The annual rate of interest is based on the average yield of 5-year personal fixed term deposit rates in Canada. This rate can change every year.

Optional Service not paid in full

Any portion of your Optional Service (Previous Service and service due to an Approved Leave of Absence) costs that are not paid for when you terminate employment or retire may be paid in full as a lump sum within 90 days of receiving notice. If any part of the Optional Service is not paid in full, then you will not receive an FFSP benefit for that part of your Optional Service.

Retirement Examples

NOTE:

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Pension from the FFSP is based on a 4-year average, whereas the LAPP benefit is based on a 5-year average.

Doug's FFSP pension decreases when he attains age 65. His LAPP pension does not decrease. For simplicity, this example ignores the effect of any COLAs.

The following examples are for illustration purposes only.

For Example:

Example 1 – Single retiree age 55 or more with less than 30 years Pensionable Service.

Doug is a fire fighter with 27 years of Pensionable Service and is retiring at age 56. He does not have a Spouse at retirement. The average of his 4 highest consecutive years of pensionable earnings is \$60,000.

We first calculate his monthly 2% benefit entitlement:

- 2% of Average Pensionable Earnings **multiplied by** the number of years of Pensionable Service **divided by** 12 months
- $2\% \times \$60,000 \times 27 / 12 = \$2,700$ per month

Next, we deduct the amount of Doug's Normal LAPP Pension. His Normal LAPP Pension is equal to the amount payable as a single-life pension with a five-year guarantee from the LAPP as Doug does not have a Spouse at retirement. This pension is determined to be \$1,984 per month.

The amount that Doug will receive from the FFSP at retirement until age 65 is \$716 (\$2,700 less \$1,984).

At age 65, Doug's annual FFSP pension will be reduced by 0.6% of Doug's Average Contributory Earnings for every year of service after December 31, 1965. Doug's Average Contributory Earnings are \$38,000.

Here's how this reduction will affect Doug...

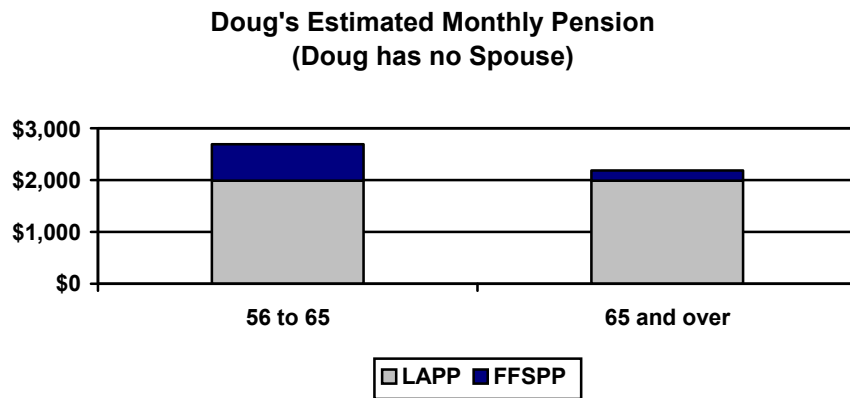
- $0.6\% \times \$38,000 \times 27 / 12 = \513 per month

At age 65, Doug's FFSP pension of \$716 per month will reduce by \$513 and he will receive \$203 per month from the FFSP.

Example 1

Example 1 – (continued)

The graph below illustrates how Doug’s total pension from the FFSP and the LAPP changes at age 65.



Retirement before age 55 with less than 30 years' Pensionable Service (no Spouse).

Example 2

Example 2 – Single retiree under age 55 with less than 30 years of Pensionable Service

Brent is a fire fighter with 27 years of Pensionable Service and is retiring before age 55. He does not have a Spouse at retirement. The average of his 4 highest consecutive years of pensionable earnings is \$60,000.

We first calculate his monthly 2% benefit entitlement payable from age 55:

- 2% of Average Pensionable Earnings **multiplied by** the number of years of Pensionable Service **divided by** 12 months
- $2\% \times \$60,000 \times 27 / 12 = \$2,700$ per month

Brent’s FFSP pension reduces by the amount of Brent’s Normal LAPP Pension. His Normal LAPP Pension is equal to the amount payable as a single-life pension with a five-year guarantee from the LAPP as Brent does not have a Spouse at retirement. This pension is determined to be \$1,984 per month.

The amount that Brent will receive from the FFSP at retirement before age 55 until age 65 is equal to the value of \$716 (\$2,700 less \$1,984) per month payable from age 55. It is determined that Brent will therefore receive \$570 per month from retirement before age 55 to age 65.

Example 2

Example 2 – (continued)

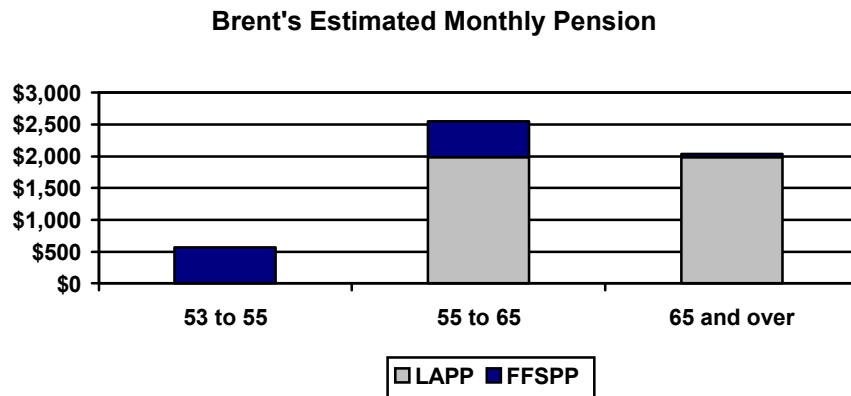
At age 65, Brent’s annual FFSP pension will be reduced by 0.6% of Brent’s Average Contributory Earnings for every year of Pensionable Service. Brent’s Average Contributory Earnings are \$38,000.

Here’s how this reduction will affect Brent...

- $0.6\% \times \$38,000 \times 27 / 12 = \513 per month

At age 65, Brent’s FFSP pension of \$570 per month will reduce by \$513 and he will receive \$57 per month from the FFSP.

The graph below illustrates Brent’s total pension from the FFSP and the LAPP.



Note:

If Brent had 30 or more years of Pensionable Service, he would have received at least \$3,000 per month from the FFSP prior to age 55.

$$2\% \times \$60,000 \times 30/12 = \$3,000$$

A member of the FFSP will receive a significantly greater FFSP pension before age 55 if the member has at least 30 years of Pensionable Service upon retirement.

Retirement on or after age 55, with Spouse who does not waive her right to a joint 60% surviving Spouse pension.

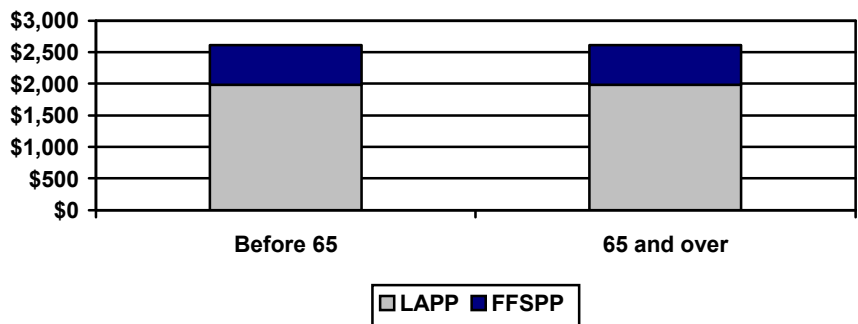
Example 3

Example 3 – Retiree age 55 or more with a Spouse

Darren has a Spouse at retirement. Darren’s Spouse does not waive her right to a joint 60% surviving Spouse pension under the FFSP.

The amount of pension payable to Darren at retirement is calculated to be \$625. This pension will not reduce at age 65 and is payable for Darren’s lifetime. Upon his death, his Spouse will receive \$375 (60% of \$625). The graph below ignores the effect of any COLAs.

Darren's Estimated Monthly Pension



Retirement at age 55 with Spouse who signs waiver.

Example 4

Example 4 – Retiree age 55 or more with a Spouse and Spouse signs a waiver

Let's change Example 3. We will now assume that Darren's Spouse waives her right to a joint 60% surviving Spouse pension under the FFSP.

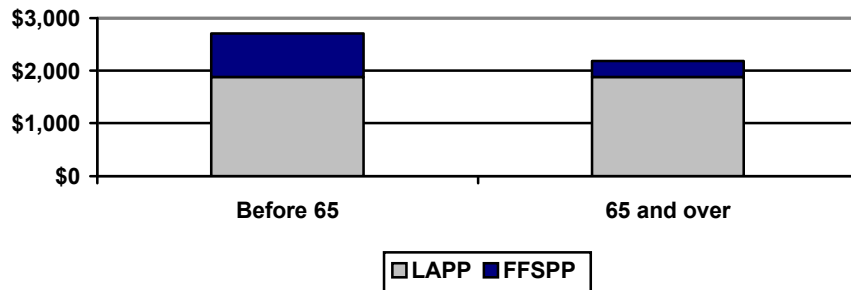
Darren's Normal LAPP Pension is equal to the amount payable under the LAPP in the form of a joint-life pension, reducible by 1/3 on the first death of either him or his Spouse. This pension is determined to be \$1,885 per month.

At retirement, Darren is entitled to receive a monthly pension of \$815 from the FFSP (\$2,700 less \$1,885).

At age 65, Darren's monthly pension of \$815 under the FFSP will be reduced by \$513, the same as before. He will then receive \$302 per month from the FFSP.

The following graph illustrates how Darren's FFSP pension supplements the LAPP pension at various ages. For simplicity, this illustration ignores the effect of any COLAs.

Darren's Estimated Monthly Pension



Comparison of examples 3 & 4

Example 5

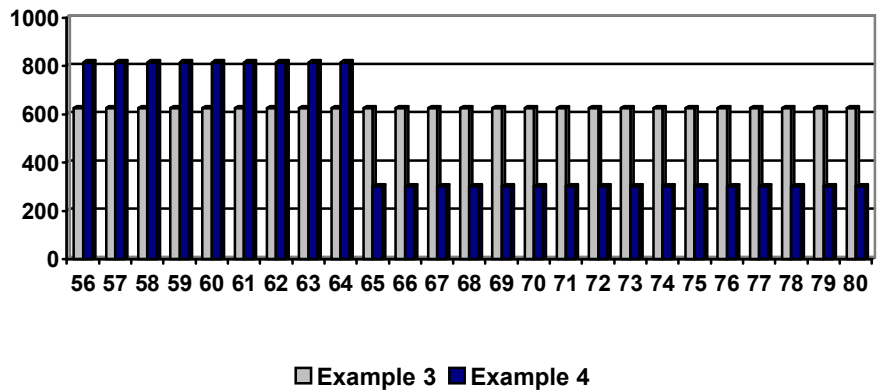
Example 5 – Compare Examples 3 and 4

Under examples 3 and 4, Darren has a Spouse. However, the amounts of the pension paid are different.

The average expected value of all future pension payments under examples 3 and 4 are the same on the date that the pension payments commence.

The following illustrates only the FFSP pension that is paid so long as Darren is alive. The illustration assumes that Darren survives to age 80. For simplicity, this illustration ignores the effect of any COLAs.

This simple illustration also ignores the amount of pension paid to his surviving Spouse.



At age 80, Spouse receives survivor pension

The illustration shows that if Darren’s Spouse does not sign a waiver, Darren and his Spouse will receive a lower pension before age 65, but will receive a higher pension after age 65. Therefore, on average, Darren and his Spouse will receive the same amount of pension regardless of which option is selected.

Retirement under age 55 with 30 years of Pensionable Service with Spouse.

Example 6

In this example, Chris's total pension does not change from age 54 to age 55. Starting at age 55, the FFSP pays a smaller portion of the total pension. The LAPP pays the balance. For simplicity, this illustration ignores the effect of any COLAs.

Example 6 – Retiree under age 55 with 30 or more years of Pensionable Service

Chris is a fire fighter with 30 years of Pensionable Service and is retiring at age 52. Chris has a Spouse. His Average Pensionable Earnings are \$66,000.

We first calculate Chris's monthly 2% benefit entitlement:

- 2% of Average Pensionable Earnings **multiplied** by number of years of Pensionable Service, **divided by 12**
- $2\% \times \$66,000 \times 30/12 = \$3,300$ per month

Chris's FFSP pension beginning at age 52 would be \$3,300. If Chris had less than 30 years of Pensionable Service on his retirement date, he would receive a significantly reduced pension. Please refer to Example 2 in this section for more information.

At age 55, Chris's FFSP pension will reduce by the amount of his Normal LAPP Pension. Because Chris has a Spouse, his Normal LAPP Pension is equal to the amount payable under the LAPP in the form of a joint-life pension, reducible by 1/3 on the first death of either him or his Spouse. This pension is determined to be \$2,539 per month.

At age 55, Chris is entitled to receive an annual FFSP pension of \$761 (\$3,300 less \$2,539).

At age 65, Chris's monthly pension under the FFSP will be further reduced by 0.6% of his Average Contributory Earnings for every year of Pensionable Service after December 31, 1965. His Average Contributory Earnings are \$38,000.

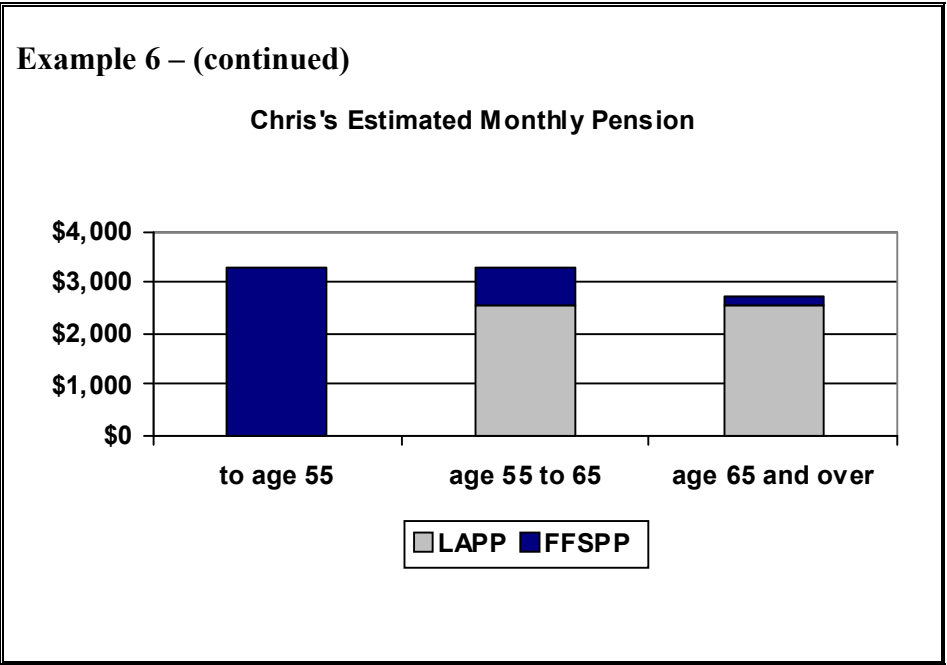
Here's how this reduction will affect Chris...

- $0.6\% \times \$38,000 \times 30 \text{ years} / 12 = \570 per month

Chris's benefit payments from the FFSP of \$761 per month will be reduced by \$570 per month. Starting from age 65, he will then receive \$191 per month from the FFSP.

The following graph illustrates Chris's pension benefits from the FFSP and the LAPP at various ages. The illustration ignores the effect of any COLAs.

Example 6



Life Events

What Happens if I Leave the FFSP Before Retirement?

If you terminate your employment with the City prior to retirement or move to another position within the City that is no longer governed by the EFFU collective agreement prior to retirement, you may have several options regarding your FFSP pension benefit. The options you have will depend on your years of continuous plan membership and your age when you leave.

<i>Years of Continuous Plan Membership and Age</i>	<i>FFSP Options</i>
If you have less than 2 years of continuous plan membership when you leave the FFSP	1. Take a lump-sum refund of your employee contributions plus interest (income tax will be deducted at source). or 2. Transfer your employee contributions plus interest to your personal RRSP (no income tax will be deducted at source).
If you have 2 or more years of continuous plan membership and are age 50 or older when you leave the FFSP	You may elect to commence your pension payments immediately or at a later date but the pension must begin no later than the first day following your 60 th birthday. Your pension is paid at the end of the month.

What Happens If I Leave the Plan Before Retirement?

<i>Years of Continuous Plan Membership and Age</i>	<i>FFSPP Options</i>
<p>If you have 2 or more years of continuous plan membership and are under age 50 when you leave the FFSPP</p>	<ol style="list-style-type: none"> 1. Elect a deferred pension. Leave your contributions in the FFSPP and begin receiving a pension as early as age 50. <p style="text-align: center;">or</p> <ol style="list-style-type: none"> 2. Transfer the following amounts out of the FFSPP as follows: <ol style="list-style-type: none"> a) Your <u>Current Service</u> and <u>Optional Service</u> contributions for service prior to January 1, 1997, plus interest, paid in a lump sum or transferred to your RRSP; b) The <u>Commuted Value</u> of your FFSPP pension earned for service on and after January 1, 1997, which must be transferred to an approved <u>Locked-in Retirement Account (LIRA)</u> or transferred to another pension plan if the plan permits; c) Your <u>Excess Employee Contributions</u>, if any, and your <u>Excess Optional Service Contributions</u>, if any, paid as a lump sum or transferred to your RRSP.

How about some examples...

**Example:
Vested and
under age
50**

Bev has terminated employment. Her benefit is Vested (has more than 2 years of continuous plan membership) and she is under age 50. Bev made Optional Service contributions while she was a member. She has an option to receive:

1. Deferred pension of \$600 per month payable at age 55, reducing by \$450 per month at age 65,
- or**
2. \$20,000 of Optional Service contributions and Current Service contributions made prior to 1997, plus interest, plus a \$30,000 Commuted Value of her pension earned after 1996 plus \$1,000 of Excess Employee Contributions.

The \$30,000 Commuted Value must be transferred to a LIRA and used to provide a regular lifetime pension income commencing at age 50 or later, but not later than the end of the year in which she turns age 71.

If Bev elects the deferred pension, she could begin to receive the pension as early as age 50 or as late as age 60. If the pension starts before age 55, it would be reduced.

**Example:
Less than 2
years of
service**

Another member, Jim, has terminated employment with less than 2 years of continuous plan membership. Jim is only entitled to receive a refund of his contributions plus interest and must decide whether to receive it as cash or transfer it to an RRSP.

**Example:
Over age
50**

A third member, Joe, has terminated employment. Joe's benefit is Vested and he is over age 50. His only option is to receive a pension. He must decide if he wants to receive the pension immediately or receive the pension at a later age, but not later than age 60.

What Happens to My Pension in the Event of a Marriage Breakdown?

What Happens to My Pension in the Event of a Marriage Breakdown?

In the event of a marriage breakdown, pension benefits – for both the LAPP and FFSPP – are viewed as matrimonial property. When a marriage breaks down, a pension is generally dealt with in one of two ways:

- The pension benefit accumulated for the duration of the marriage is valued and other property of equivalent value is transferred to the Spouse or former Spouse - that is, the non-member - in lieu of an interest in the pension, or
- The non-member receives an interest in the member's pension benefit - that is, the pension is divided.

In order to divide a pension under the FFSPP, the City of Edmonton must receive a certified copy, (delivered in person or by certified or registered mail), of:

- A matrimonial property order; or
- An agreement under the *Matrimonial Property Act* in the form of a consent order; or
- A similar order enforceable in Alberta from a court outside of Alberta.

The City may charge fees to cover costs of providing information to you about your benefit entitlements in the case of a marriage breakdown.

You and your Spouse or former Spouse should consult your lawyers for information about the division of matrimonial property or for any other legal advice.

What Happens if I Become Disabled Before Retirement?

If you become disabled before retirement, you will continue to earn benefits under the FFSP provided a number of conditions are met. To be considered disabled, you must be:

- receiving Long-Term Disability benefits from the City,
- certified as disabled by a qualified medical doctor, and
- unable to perform the duties of your employment.

If you satisfy these conditions, you will continue to earn Pensionable Service and employee and employer contributions to the FFSP will continue.

Pensionable earnings will be based on your annualized earnings in effect immediately before you became disabled and will include any negotiated salary increases for your position.

You will continue to earn pension benefits in this manner until you are no longer eligible to receive benefits under the Long Term Disability Plan or age 60, whichever is earlier.

What Happens if I Die Before Retirement?

The benefit payable from the FFSP will depend on the length of your Pensionable Service and whether or not you have a Spouse and/or Dependent Children.

The total amount of the benefit payable upon your death, when added to your LAPP benefit, is subject to maximum limits under the *Income Tax Act*.

<u>Pensionable Service</u>	<u>Spouse and/or Dependent Children</u>	<u>Benefit upon your death prior to retirement</u>
If you have less than 2 years of <u>Pensionable Service</u>	If you have a <u>Spouse</u>	<ul style="list-style-type: none"> ▪ 2 times your <u>Current Service</u> contributions plus interest plus ▪ <u>Optional Service</u> contributions plus interest
	If you have <u>Dependent Children</u> , but no <u>Spouse</u>	<ul style="list-style-type: none"> ▪ 2 times your <u>Current Service</u> contributions plus interest plus ▪ <u>Optional Service</u> contributions plus interest
	If you have no <u>Spouse</u> or <u>Dependent Children</u>	<ul style="list-style-type: none"> ▪ <u>Current Service</u> contributions plus interest plus ▪ <u>Optional Service</u> contributions plus interest.

What Happens if I Die Before Retirement? (continued)

<u>Pensionable Service</u>	<u>Spouse and/or Dependent Children</u>	<u>Benefit upon your death prior to retirement</u>
<p>If you have more than 2 years but less than 10 years <u>Pensionable Service</u></p>	<p>If you have a <u>Spouse</u></p>	<ul style="list-style-type: none"> ▪ Lifetime annual pension payable to your <u>Spouse</u> equal to 1% of your <u>Average Pensionable Earnings</u> for each year of <u>Pensionable Service</u> reduced by the pension your surviving <u>Spouse</u> is entitled to receive under the <u>LAPP</u> corresponding to your <u>Normal LAPP Pension</u>. ▪ Lifetime annual pension payable to your <u>Spouse</u> is reduced, when you would have turned 65, by 0.3% of your <u>Average Contributory Earnings</u> for each year of <u>Pensionable Service</u>. ▪ The minimum pension payable to your <u>Spouse</u> is equal to 50% of the FFSP pension you would have received based on your actual <u>Pensionable Service</u>. ▪ If your <u>Spouse</u> dies before a combined total of 60 monthly payments have been made, the remainder of the monthly payments, up to 60, if any, will go to your <u>Spouse's</u> estate. ▪ Pensions are payable on a monthly basis.

What Happens if I Die Before Retirement? (continued)

<u>Pensionable Service</u>	<u>Spouse and/or Dependent Children</u>	<u>Benefit upon your death prior to retirement</u>
<p>If you have more than 2 years but less than 10 years <u>Pensionable Service</u></p>	<p>If you have <u>Dependent Children</u>, but no <u>Spouse</u> and your <u>Dependent Children</u> are your <u>Designated Beneficiary</u></p>	<p>Greater of:</p> <p>Lump sum amount equal to:</p> <ul style="list-style-type: none"> • 2 times your <u>Current Service</u> contributions plus interest <p>plus</p> <ul style="list-style-type: none"> • <u>Optional Service</u> contributions plus interest <p style="text-align: center;">OR</p> <p>Lump sum amount equal to:</p> <ul style="list-style-type: none"> • your <u>Current Service</u> contributions and <u>Optional Service Contributions</u> plus interest, for your <u>Pensionable Service</u> before January 1, 2000, <p>plus</p> <ul style="list-style-type: none"> • 100% of the <u>Commuted Value</u> of your FFSP pension for your <u>Pensionable Service</u> on or after January 1, 2000, <p>plus</p> <ul style="list-style-type: none"> ▪ your <u>Excess Employee Contributions</u> and your <u>Excess Optional Service Contributions</u> for your <u>Pensionable Service</u> on or after January 1, 2000.

What Happens if I Die Before Retirement? (continued)

<u>Pensionable Service</u>	<u>Spouse and/or Dependent Children</u>	<u>Benefit upon your death prior to retirement</u>
<p>If you have more than 2 years but less than 10 years <u>Pensionable Service</u></p>	<p>If you have no <u>Spouse</u> and no <u>Dependent Children</u></p>	<p>Greater of:</p> <p>Lump sum amount equal to:</p> <ul style="list-style-type: none"> • your <u>Current Service</u> contributions plus interest <p>plus</p> <ul style="list-style-type: none"> • <u>Optional Service</u> contributions plus interest <p style="text-align: center;">OR</p> <p>Lump sum amount equal to:</p> <ul style="list-style-type: none"> • your <u>Current Service</u> contributions and <u>Optional Service</u> contributions plus interest, for your <u>Pensionable Service</u> before January 1, 2000, <p>plus</p> <ul style="list-style-type: none"> • 100% of the <u>Commuted Value</u> of your FFSP pension for your <u>Pensionable Service</u> on or after January 1, 2000, <p>plus</p> <ul style="list-style-type: none"> ▪ your <u>Excess Employee Contributions</u> and your <u>Excess Optional Service Contributions</u> for your <u>Pensionable Service</u> on or after January 1, 2000.

What Happens if I Die Before Retirement? (continued)

<u>Pensionable Service</u>	<u>Spouse and/or Dependent Children</u>	<u>Benefit upon your death prior to retirement</u>
<p>If you have 10 or more years <u>Pensionable Service</u></p>	<p>If you have a <u>Spouse</u></p>	<ul style="list-style-type: none"> • Lifetime annual pension payable to your <u>Spouse</u> equal to 1% of your <u>Average Pensionable Earnings</u> for each year of <u>Pensionable Service</u> as if you worked to age 60, reduced by the pension your surviving <u>Spouse</u> is entitled to receive under the <u>LAPP</u> corresponding to your <u>Normal LAPP Pension</u>. • Lifetime annual pension payable to your <u>Spouse</u> is reduced, when you would have turned 65, by 0.3% of your <u>Average Contributory Earnings</u> for each year of <u>Pensionable Service</u>. • The minimum pension payable to your <u>Spouse</u> is equal to 50% of the FFSP pension you would have received based on your actual <u>Pensionable Service</u>. • If your <u>Spouse</u> dies before a combined total of 60 monthly payments have been made, the remainder of the monthly payments, up to 60, if any, will go to your <u>Spouse's</u> estate. • Pensions are payable on a monthly basis.
<p>If you have 10 or more years <u>Pensionable Service</u></p>	<p>If you have a <u>Spouse and Dependent Children</u> (maximum 4 children)</p>	<ul style="list-style-type: none"> • In addition to the annual pension your surviving <u>Spouse</u> would receive above, pension payable to your <u>Spouse</u> equal to 0.2% of your <u>Average Pensionable Earnings</u>, for each <u>Dependent Child</u>, for each year of <u>Pensionable Service</u> as if you worked to age 60. • Pensions are payable on a monthly basis.

What Happens if I Die Before Retirement? (continued)

<u>Pensionable Service</u>	<u>Spouse and/or Dependent Children</u>	<u>Benefit upon your death prior to retirement</u>
<p>If you have 10 or more years <u>Pensionable Service</u></p>	<p>If you have <u>Dependent Children</u>, but no <u>Spouse</u> and your <u>Dependent Children</u> are your <u>Designated Beneficiary</u></p>	<p>Greater of:</p> <p>Annual pension equal to:</p> <p>0.3% of your <u>Average Pensionable Earnings</u>, for each <u>Dependent Child</u> (maximum 4), for each year of <u>Pensionable Service</u> as if you worked to age 60.</p> <p style="text-align: center;">OR</p> <p>Lump sum payment equal to:</p> <ul style="list-style-type: none"> • your <u>Current Service</u> contributions and <u>Optional Service</u> contributions plus interest, for your <u>Pensionable Service</u> before January 1, 2000, <p style="text-align: center;">plus</p> <ul style="list-style-type: none"> • 100% of the <u>Commuted Value</u> of your FFSP pension for your <u>Pensionable Service</u> on or after January 1, 2000, <p style="text-align: center;">plus</p> <p>your <u>Excess Employee Contributions</u> and your <u>Excess Optional Service Contributions</u> for your <u>Pensionable Service</u> on or after January 1, 2000.</p>

What Happens if I Die Before Retirement? (continued)

<u>Pensionable Service</u>	<u>Spouse and/or Dependent Children</u>	<u>Benefit upon your death prior to retirement</u>
<p>If you have 10 or more years <u>Pensionable Service</u></p>	<p>If you have no <u>Spouse</u> and no <u>Dependent Children</u></p>	<p>Greater of:</p> <p>Lump sum amount equal to:</p> <ul style="list-style-type: none"> • your <u>Current Service</u> contributions plus interest <p>plus</p> <p><u>Optional Service</u> contributions plus interest</p> <p style="text-align: center;">OR</p> <p>Lump sum amount equal to:</p> <ul style="list-style-type: none"> • your <u>Current Service</u> contributions and <u>Optional Service</u> contributions plus interest, for your <u>Pensionable Service</u> before January 1, 2000, <p>plus</p> <ul style="list-style-type: none"> • 100% of the <u>Commuted Value</u> of your FFSP pension for your <u>Pensionable Service</u> on or after January 1, 2000, <p>plus</p> <p>your <u>Excess Employee Contributions</u> and your <u>Excess Optional Service Contributions</u> for your <u>Pensionable Service</u> on or after January 1, 2000.</p>

What if my Spouse chooses a lump sum payment instead of a monthly pension from the LAPP?

If you have more than 2 years of continuous plan membership in the FFSP and your Spouse chooses a lump sum payment from the LAPP, your Spouse is only entitled to a lump sum payment from the FFSP.

The FFSP will provide a lump sum death benefit to your Spouse equal to the **greater of**:

(a) twice the total of your Current Service contributions to the FFSP plus interest, as well as a lump-sum amount equal to your Optional Service contributions plus interest,

or

(b) lump sum payment equal to:

- your Current Service contributions and Optional Service contributions made prior to January 1, 1997 plus interest,
- 60% of the Commuted Value of your FFSP pension for your Pensionable Service on or after January 1, 1997 and before January 1, 2000
- 100% of the Commuted Value of your FFSP pension for your Pensionable Service on or after January 1, 2000, and
- your Excess Employee Contributions and Excess Optional Service Contributions for service on or after January 1, 1997.

Excess Employee Contributions

Pension legislation requires that the City fund at least 50% of the cost of the benefits earned for service on and after January 1, 1997.

The Commuted Value of the benefit earned for service after 1996 is calculated and compared with your Current Service contributions plus interest made to the FFSP for the same period. If your Current Service contributions made to the FFSP, plus interest, are greater than 50% of the Commuted Value of your FFSP pension, the excess is returned to you (i.e., Excess Employee Contributions). This comparison occurs when you terminate, retire or die.

Optional Service contributions and any pension earned that is related to Optional Service are not taken into account in determining Excess Employee Contributions.

You may receive your Excess Employee Contributions in cash less income tax, or transfer the full amount of the refund to an RRSP.

Excess Employee Contributions are different for every member and can be zero, but cannot be less than zero.

Example

For Example:

Jill has accumulated Current Service contributions plus interest equal to \$45,000. Of this amount, \$20,000 is due to Current Service contributions made after 1996. She has terminated employment and the Commuted Value of her FFSP pension earned after 1996 is \$30,000.

Jill is entitled to \$5,000 for her Excess Employee Contributions, determined as follows:

- \$20,000 (post-1996 Current Service contributions plus interest)
minus
- \$15,000 (equals 50% of \$30,000, post-1996 Commuted Value)
equals
- \$5,000

Example**For Example:**

Another member, Damon, has accumulated Current Service contributions plus interest equal to \$60,000. Of this amount, \$25,000 is due to Current Service contributions made after 1996. He has terminated employment and the Commuted Value of his FFSPP pension earned after 1996 is \$60,000.

Damon is not entitled to any Excess Employee Contributions. This is determined as follows:

- \$25,000 (post-1996 Current Service contributions plus interest)
minus
- \$30,000 (50% of \$60,000, post-1996 Commuted Value)
equals
- \$0 (Excess Employee Contributions cannot be less than zero.)

Excess Optional Service Contributions

The FFSPP ensures that the Commuted Value of your Optional Service pension is not less than your Optional Service contributions with interest.

The Commuted Value of your benefit earned for Optional Service is calculated and compared with your Optional Service contributions plus interest made to the FFSPP for the same period. If your Optional Service contributions made to the FFSPP, plus interest, are greater than the Commuted Value of your Optional Service FFSPP pension, the excess is returned to you (i.e., Excess Optional Service Contributions). This comparison occurs when you terminate, retire or die.

Current Service contributions and any pension earned that is related to Current Service are not taken into account in determining Excess Optional Service Contributions.

You may receive your Excess Optional Service Contributions in cash less income tax, or transfer the full amount of the refund to an RRSP.

Excess Optional Service Contributions are different for every member and can be zero, but cannot be less than zero.

Example**For Example:**

Bruce has accumulated Optional Service contributions plus interest equal to \$10,000. He has terminated employment and the Commuted Value of his FFSP Optional Service pension is \$8,000.

Bruce is entitled to \$2,000 for his Excess Optional Service Contributions, determined as follows:

- \$10,000 (Optional Service contributions plus interest)
minus
- \$8,000 (Commuted Value of Optional Service pension)
equals
- \$2,000

Example**For Example:**

Another member, Todd, has accumulated Optional Service contributions plus interest equal to \$20,000. He has terminated employment and the Commuted Value of his FFSP Optional Service pension is \$25,000.

Todd is not entitled to any Excess Optional Service Contributions. This is determined as follows:

- \$20,000 (Optional Service contributions plus interest)
minus
- \$25,000 (Commuted Value of Optional Service pension)
equals
- \$0 (Excess Optional Service Contributions cannot be less than zero.)

For More Information

Edmonton Fire Fighters' Union

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Mail: #200, 7024 – 101 Avenue NW,
Edmonton, Alberta T6A 0H7

Aon Consulting

Phone: 1-866-644-1114 **Fax:** 780-425-8295
Email: ffssp.admin@aon.ca
Mail: 900, 10025 – 102A Avenue NW
Edmonton, Alberta T5J 0Y2

City of Edmonton Pension Representative

Phone: 780-944-4311 **Fax:** 780-496-8329
Mail: Edmonton City Centre West
Suite 300D, 10200 – 102 Avenue NW
Edmonton, Alberta T5J 4B7

Local Authorities Pension Plan (LAPP)

Phone: 1-877-649-5277 **Fax:** 780-421-1652
Mail: Alberta Pensions Services **Website:** www.lapp.ab.ca
5103 Windermere Boulevard SW
Edmonton, Alberta T6W 0S9

Canada Pension Plan and Old Age Security

Phone: 1-800-277-9914
Mail: Service Canada **Website:** www.servicecanada.gc.ca
Suite 1440, Canada Place
9700 Jasper Avenue
Edmonton, Alberta T5J 4C1