

# Pension Plan Procedure

This procedure is governed by its parent policy. Questions regarding this procedure are to be directed to the identified Procedure Administrator.

<b>Functional category</b>	Human Resources
<b>Parent policy</b>	Compensation Policy
<b>Approval date</b>	March 30, 2020
<b>Effective date</b>	March 30, 2020
<b>Procedure owner</b>	Vice President, People and Culture
<b>Procedure administrator</b>	Manager, People

## Overview

The pension plan procedures will clarify who participates in the Pension Plan, when participation starts, how pensionable service is calculated, and which earnings are considered pensionable.

Authority to establish this procedure is derived from the [NorQuest College Board of Governor's Policy No.5](#), which delegates authority to the President and CEO to establish policies and procedures for the college's management and operation.

## Procedure

### Participation in the Pension Plan

An employee is eligible to participate in the pension plan when:

- the employee is in a position classified as “Permanent.” Participation in the pension plan is a condition of employment and eligible employees may not opt-out of the pension plan.
- the employee is in a position classified as “Term” in AUPE (grandfathered positions only), Faculty, Out of Scope, and Management. Participation in

the pension plan is a condition of employment and eligible employees may not opt-out of the pension plan.

Management employees hired to an employment contract with an end date may opt out of the pension plan. Their decision will be written into the individual's employment contract.

An employee is not eligible to participate in the pension plan when:

- the employee is in an assignment classified as “Casual,”
- the employee is hired to an AUPE term position after March 1, 2019,
- an employee moves from a position that is eligible to an assignment that is ineligible, or
- the employee is in receipt of pension from the Management Employee Pension Plan (MEPP) or the Public Service Pension Plan (PSPP) as a result from having retired earlier under the plan.

Eligible employees in:

- AUPE (Perm and Term Grandfathered), Excluded, Faculty, and Professional groups will participate in the Public Service Pension Plan (PSPP).
- management positions will participate in the Management Employee Pension Plan (MEPP). Management positions must have been designated by an Order of the Minister for participation in MEPP.

### **Start Date in the Pension Plan**

Participation in the pension plan commences on the employee's first day of employment in all eligible positions.

### **Pensionable Service**

The base unit for calculating pension is 1885 hours for employees in full time positions not receiving a pay differential and 2080 hours for employees working full time and receiving a pay differential. Pensionable service for part-time employees will be pro-rated in accordance with their working hours.

Calculating Pensionable Service Examples:

Full Time: 7.25 hours x 260 days = 1885 hours or 1.000 pensionable service year

Full Time Receiving a Pay Differential: 8.00 hours x 260 days = 2080 hours or 1.000 pensionable service year

Part Time (0.5 FTE): 3.63 hours x 260 days = 943.8 hours or 0.5000 pensionable service year

### **Pensionable Earnings**

Eligible pensionable earnings are based on:

- gross base pay for the performance of regular duties,
- acting pay,
- chair stipend,
- lump sum payments in lieu of salary adjustments for the performance of regular duties,
- market supplement pay,
- pay differential earnings for 40 hour work week, and
- other remunerations provided where payments are payable in a uniform and consistent basis.

### **Pension Administration**

Administration and provisions of the pension plan will be in accordance with the appropriate legislation and the plan administrator's policies and guidelines.

## **Definitions**

**AUPE Term Grandfathered Position:** means a position designated by the college as a project or replacement position or term-certain for other specified reasons, having a set expiry date which had an active employee in place as of the date of ratification (March 1, 2019) of the Collective Agreement between NorQuest College and the Alberta Union of Provincial Employees per the Letter of Understanding dated April 5, 2019. A term position shall be at least six (6) months in duration and may be Full-time or Part-time of not less than ½ time.

**Casual Employees:** means employees employed to meet short term staffing needs, and/or less than half-time employment, and/or where the number of days, weeks, or months required is irregular.

**Pay Differential:** a modifier paid to employees under the AUPE or Excluded groups for working a 40 hour work week.

**Permanent Position:** means a position designated by the college as continuing to meet the ongoing operational requirements of NorQuest's core programs. A permanent position may be Full-time or Part-time of not less than ½ time. Plan Administrator: Alberta Pension Services Corporation administers the pension plans on behalf of NorQuest College and under the direction of the Public Service Pension Plan Board and the Management Employees Pension Plan Board.

**Term Position:** means a position designated by the college as a project or replacement position or term-certain for other specified reasons, having a set expiry date. A term position shall be at least six (6) months in duration and may be Full-time or Part-time of not less than ½ time.

## Related information

### NorQuest College

- [AUPE Collective Agreement](#)
- [Compensation Policy](#)
- [Faculty Collective Agreement](#)
- [Management Terms and Conditions](#)
- [Out of Scope Employees Terms and Conditions](#)

### External

- [Post-Secondary Learning Act - Section 69 Pensions and Annuities](#)
- [Management Employees Pension Plan Regulation](#)
- [Management Employees Pension Plan website](#)
- [Public Sector Pension Plans Act Refer to:](#)
  - Schedule 2 – Public Service Pension Plan Provisions
  - Schedule 5 – Management Employees Pension Plan Provisions
- [Public Service Pension Plan Regulation](#)
- [Public Service Pension Plan website](#)

## Next review date

March 2024

## Revision history

Date	Version Number	Action
August 2012	V1	New (replaces Standard Practice 7.18 – Pension Plan).
August 2013	V2	Update for document links and branding.
November 2014	V3	Update for change in procedure owner and document links.
September 2015	V4	Update document links.
August 2019	V5 (published as V4-C)	Compliance Office template & reorganization update.
March 2020	V6 (published as V5)	Update to reflect eligibility changes in the AUPE Collective Agreement.
February 2024	V7	Information, Risk & Compliance template & reorganization update.