

PENSION PLAN PROCEDURES

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

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| Functional Category: | Human Resources |
| Parent Policy: | Compensation Policy |
| Approval Date: | August 30, 2012 |
| Effective Date: | August 1, 2012 |
| Procedure Owner: | President and CEO |
| Procedure Administrator: | Director, Work Force Development and Human Resources |

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.

Procedures:

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" or "Term". 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",
- 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, 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 a Permanent or Term position.

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 * 260 days = 1885 hours or 1.000 pensionable service year

Full Time : 8.00 hours * 260 days = 2080 hours or 1.000 pensionable service year

Part Time : 3.63 hours * 260 days = 943.8 hours or 0.5000 pensionable service year

Pensionable Earnings

Eligible pensionable earnings are based on:

- gross basic 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:

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.

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| Related Information: | <ul style="list-style-type: none"> • Alberta Post-Secondary Learning Act - Section 69 Pensions and Annuities • AUPE Collective Agreement • Compensation Policy • Faculty Collective Agreement • Management Employees Pension Plan Regulation • Management Employees Pension Plan website • Management Terms and Conditions • Out of Scope Employees Terms and Conditions • 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 |
| Related Documentation: | N/A |
| Next Review Date: | July 2015 |
| Revision History: | <p>August 2012: New (replaces Standard Practice 7.18 – Pension Plan) August 2013: update for document links and branding November 2014: update for change in procedure owner and document links September 2015: update document links</p> |