**Bill 27 – The Joint Governance of Public Sector Pension Plans**

The government has introduced legislation to bring joint governance to our Pension Plans [LAPP and PSPP]

* This pension plan governance puts Alberta in the Canadian mainstream
* The legislation is based on best practices for pension plans that indicate people who pay for plans (employers and employees) should decide how they are run
* We should have confidence that this model can protect the retirement security of hundreds of thousands of Albertans now and into the future.

**Significance of these changes**

* Removing the government as the “sole trustee” of these pension plans ensures that they can no longer meddle with the money that working Albertan’s set aside for their retirement. The legislation brings the Pension Plans out of statute
* Governments can no longer use pensions against the workers who pay for them and depend on them for retirement income to score political points.

**Will this cost government money?**

* The move to joint governance WILL NOT cost government money
* The pension plans covered by this legislation are fully funded and actuarially sound. LAPP is a well-funded pension plan that as of 2017 was 104% funded
* Membership in LAPP is growing. LAPP had 259,714 members in 2017, which was an increase from 253,862 in 2016.

**Work still to be done**

* Plan texts and provisions to be pulled together and written [i.e. whom is in and who is out]
* Sponsor Boards [decide on contribution rates and benefit adjustment] and Administrative Boards [fiduciary role] to be selected
* Contracts with service providers to be agreed and signed [Aimco, APS]

**With this legislation there are no changes to Plan benefits, contribution rates or the funding policy**

* If the administrative board in future suggests contribution rate increases are necessary to meet obligations and there is a possibility of benefit changes [instead of rate increases] this must be agreed to by 2/3 of the sponsor board [50% of the Board will be employee representatives], otherwise the benefits stay the same and contribution rates will be adjusted

Any questions or thoughts may be directed to Doug Short dougs@nait.ca