

Benefit NewsFlash



LAPP Contribution rates for 2019

History repeats itself! (In a good way)

2018 was the first time in history that we enjoyed a decrease in the contribution rates for the Local Authorities Pension Plan (LAPP).

We are pleased to inform you that we have received notice that contribution rates will **decrease by another 1%** in 2019! *More enjoyment!*



	*YMPE	Employee contributions under YMPE	Employee contributions over YMPE	County/Library contributions under YMPE	County/Library contributions over YMPE
2017	\$55,300	10.39%	14.84%	11.39%	15.84%
2018	\$55,900	9.39%	13.84%	10.39%	14.84%
2019	\$56,500 <i>estimate only!</i>	8.39%	12.84%	9.39%	13.84%

***YMPE (Year's Maximum Pensionable Earnings):** A figure set each year by the Canadian government that specifies the earnings amount that can be used in calculating contributions to the Canada Pension Plan (CPP) and can be used in calculating contributions to registered pension plans, such as LAPP, for each year.

Some comparative context (approximations)...

This means that if you were earning \$50,000 in:

- 2017, you paid roughly **\$5,195** in annual LAPP contributions
- 2018, your annual contributions will **decrease** to roughly **\$4,695** \$500 in your pocket
- 2019, your contributions will **decrease again** to roughly **\$4,195** \$500 **more** in your pocket

And if you were earning \$100,000 in:

- 2017, you paid roughly **\$12,379** in annual LAPP contributions
- 2018, your annual contributions will **decrease** to roughly **\$11,352** \$1,027 in your pocket
- 2019, your contributions will **decrease again** to roughly **\$10,325** \$1,027 **more** in your pocket

Or, if you were earning \$150,000 in:

- 2017, you paid roughly **\$19,799** in annual LAPP contributions
- 2018, your annual contributions will **decrease** to roughly **\$18,272** \$1,527 in your pocket
- 2019, your contributions will **decrease again** to roughly **\$16,745** \$1,527 **more** in your pocket

But even with the decreases in contributions, there is **no decrease in the pension you are earning**. You are earning the same amount of pension, but paying less for it!!!

For a little perspective... this means the 'under the YMPE' rate for 2019 will be a 'teensy bit' lower than 2011 and the 'over the YMPE' rate will be a 'teensy bit' higher than 2012.

