



Special Forces  
Pension Plan



Special Forces  
Pension Plan  
Benefits



**SFPP is proud to serve the following police agencies in Alberta:**

- **Calgary Police Service**
- **Camrose Police Service**
- **Edmonton Police Service**
- **Lacombe Police Service**
- **Lethbridge Police Service**
- **Medicine Hat Police Service**
- **Taber Police Service**

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# Welcome to SFPP!

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The Special Forces Pension Plan (SFPP) was created in 1979 to provide a great pension for municipal police officers in Alberta, including contracted police chiefs and deputy police chiefs. Our pension plan was built with police in mind and is managed in a way that ensures it will continue to be responsive to the needs of Alberta's police officers.

## About SFPP

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Seven municipalities from across Alberta currently participate in the Plan, with the Cities of Calgary and Edmonton being the largest two municipalities. The City of Grande Prairie will bring the number of municipalities to eight as it recruits members to its new police service over the next five years.

SFPP is a **defined benefit pension plan** you can count on to provide predictable, lifelong pension payments. Your pension is based on your years of SFPP **pensionable service** and your **highest average salary** over five consecutive years. In general, the more **pensionable service** you accumulate over your career, the greater your pension benefit and the sooner you may be able to collect your pension.



With SFPP, you can retire from active duty with a with an immediate unreduced pension:

- After 25 years of **pensionable service**, known as “25 years and out”
- At age 55 with at least two years of **pensionable service**, or,
- At age 65 with any amount of **pensionable service**.

**Bonus:** If you retire prior to age 65, SFPP will temporarily increase your pension payable until you reach age 65. This is known as the **bridge benefit**.

## Benefits of Belonging

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Here are some of the benefits of belonging to a **defined benefit pension plan** tailored to the needs of municipal police officers.

### You Will Not Outlive Your Pension

Unlike **RRSPs** and **defined contribution (DC) pension plans**, your SFPP pension will pay a set amount every month for as long as you live as soon as you retire, despite the volatility of financial markets. There are also provisions for your spouse (**pension partner**) and/or your beneficiaries, in the event of your death.

### Your Pension is Reliable and Stable

Your pension payments are determined at retirement using a set calculation involving your **pensionable salary** and years of **pensionable service**. Your pension can be estimated in advance, allowing you the ability to plan your retirement and manage other retirement savings to add to your stable base income, according to the lifestyle you choose.

### Inflation Protection

During your retirement, any **cost-of-living adjustments** applied to your pension will help protect against inflation. The amount of protection provided will depend on changes in the Alberta Consumer Price Index and the current financial health of the Plan.

### Your Pension is Secure

Your pension is backed by a strong investment fund currently worth more than \$4 billion and growing steadily over time. The SFPP Fund is managed by AIMCo (Alberta Investment Management Corporation) one of Canada’s largest institutional investors. Of every dollar paid to a SFPP pensioner, 70% to 80% comes from investments.

## Shared Contributions

You will contribute to your pension through payroll deductions and your employer will contribute a share on your behalf that is 1.1% higher than what you pay. The amount you pay will depend on the annual contribution rate and the amount of your **pensionable salary**. (See current rates below.)

All contributions are invested in the Plan's fund to pay for pension benefits as well as costs associated with managing the Plan.

**Bonus:** Your pension contributions are tax deductible.

### 2023 Contribution Rates

As you can see in the table below, your employer contributes 14.55% of your **pensionable salary** to your pension each month, to ensure that you and your family have the support of a strong pension upon retirement. Your contribution is 13.45% of **pensionable salary**.

	Contribution Percentage
Members	13.45%
Employers	14.55%
<b>Total</b>	<b>28.00%</b>

**Bonus:** The Government of Alberta pays a legacy contribution of 1.25% of pay, towards a pre-1992 unfunded liability.



## Watch Your Pension Grow

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The longer you contribute to SFPP and the higher your **pensionable salary**, the larger your pension benefit. SFPP has tools in place for you to watch your pension grow and to help plan for your life after work.

### Annual Statements

As an SFPP member, you will receive an annual statement which outlines your pension entitlements and any other information you will need to be informed about the progress of your pension. Year over year, you will be able to see your pension increase as you get closer to your retirement.

### SFPP Web Estimator

A handy tool for creating “what if” scenarios, the web estimator at [sfpp.ca](http://sfpp.ca) allows you to estimate your monthly pension at a projected retirement date, while adjusting values for **pensionable service** and **pensionable salary**. Keep in mind, however, this estimator is only making estimates of future entitlements based on information you enter.

### Your Secure Online Account

On your secure online password-protected account, you can use the personalized pension estimator, which incorporates your most recent data to help you estimate your pension at a projected retirement date.



## Transfers into SFPP

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Pension plans can have transfer agreements which allow their members to transfer **pensionable service** recognized under one plan to another participating plan with the goal of increasing the pension benefit entitlement of the member. SFPP has transfer agreements in place with the **Local Authorities Pension Plan (LAPP)** and the **Royal Canadian Mounted Police (RCMP) Pension Plan**.

If you have earned service with either LAPP or the RCMP Pension Plan, you may be able to transfer your benefit entitlement into SFPP. Likewise, if you leave employment with a municipal police service prior to retirement and enrol in either LAPP or the RCMP Plan, you can transfer your SFPP pension there.

Transferring your pension benefit from another plan into SFPP will increase your SFPP **pensionable service**, which in turn increases your pension entitlements and may allow you to retire earlier. However, not all pension plans cost service the same way. That means that the benefit you earn in one plan may not match the benefit you would gain by transferring into SFPP – a year of **pensionable service** working with the RCMP (for example) may or may not earn you a year of **pensionable service** with SFPP.

### Would a Transfer Benefit You?

Once you become a member of the Plan, SFPP's pension benefit administrator, Alberta Pensions Services (APS), will be able to provide you a cost estimate on transferring the value of your pension benefit to SFPP. Visit [sfpp.ca](http://sfpp.ca) for more information about transfers and what you need to do to start the process. This information will help you make a decision on what works best for you.

## Read More Online at Any Time

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- Learn all about SFPP on our website [sfpp.ca](http://sfpp.ca) including what types of options are available at retirement and how the people in your life, like your spouse (**pension partner**) and/or your **beneficiaries** are protected by your Plan.
- Learn about ways to grow your pension by buying back periods of eligible service as you progress through your career.
- Learn about our governance structure, our strong investment principles and the police and employers who make up our Plan.



## Join SFPP – Get More for Your Money

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In summary, as a member in SFPP:

- Your employer's share of your pension is equivalent to 14.55% of your **pensionable salary**.
- You are eligible to retire after 25 years of service. This means if you start working as a police officer at age 25, you will be eligible to start collecting your pension at 50.
- If you retire before age 65, you will receive an increase in your pension benefit called a bridge benefit, that will be paid to you until you reach 65.
- SFPP has options to provide your loved ones with access to your pension entitlements if you die before or during retirement (for more information on survivor benefits, visit [sfpp.ca](http://sfpp.ca)).



## Glossary of Defined Terms

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**Beneficiary** – A beneficiary is someone you designate to receive a benefit in the event of your death if you do not have a pension partner. You can have more than one beneficiary or even designate a charitable organization.

**Bridge Benefit** – A temporary increase in pension benefit payment for members who retire prior to age 65. The benefit is removed at age 65, when other retirement income often begins, such as Canada Pension Plan.

**Contributions** – Money paid into a pension plan by you and your employer. Employee contributions are made by payroll deduction and are tax-deductible. Contributions may also include payments toward qualifying leave without salary (more detail on this under “Increasing Your Pension Benefit” at [sfpp.ca](http://sfpp.ca)).

**Cost-of-Living Adjustment (COLA)** – A non-guaranteed increase to your monthly pension payment. Based on the Alberta Consumer Price Index (Alberta CPI), the COLA is applied to your pension in January each year. COLA for benefits earned on post-2000 service is granted based on the Plan’s financial health.

**Defined Benefit (DB) Pension Plan** – A DB plan, like SFPP, is one that provides a stable monthly income that is set by a formula at retirement and is paid for the rest of your life. The formula used to determine your pension payments includes your highest average salary and years of pensionable service, not how much you contribute or the investment returns on pension fund investments. The main advantage of a DB pension is that you will be paid for life and never outlive your money.

**Defined Contribution (DC) Pension Plan** – A DC plan is one that provides predictable contribution rates but provides no certainty in terms of duration of pension payments. The main advantage of a DC plan is the predictability of contributions, which makes for easy budgeting while contributing to the plan. The main disadvantage to a DC pension is that there is no certainty your money will last until you die.

**Highest Average Salary** – For pension benefit calculation purposes, this is the average of your five highest consecutive years of pensionable salary, up to the corresponding **pensionable salary cap**.

**Pension Partner** – A person who is entitled to your SFPP survivor benefit if you die.

**Pensionable Salary** – Salary on which pension contributions and benefits are based. Includes basic pay for the performance of your regular duties, but does not include such earnings as expense allowances or overtime, and may include “acting” pay. For service after 1991, pensionable salary does not include earnings in excess of the **pensionable salary cap**.

**Pensionable Salary Cap** – The maximum salary set by SFPP’s Plan Text to ensure that your benefit does not exceed the federal Income Tax Act defined benefit limit each year. Money can be earned (and taxes paid) beyond that limit, but only the income earned below that limit is used in the calculation of pension benefits. The 2022 salary cap is \$190,470.

**Pensionable Service** – The number of years you contribute to the Plan plus any service you transfer into the Plan plus any purchased prior service or periods of leave, to a maximum of 35 years.

**Registered Retirement Savings Plan (RRSP)** – A savings plan introduced by the federal government to encourage Canadians to save for retirement. Money invested in RRSPs as well as money earned by RRSPs is not taxed until it is taken out of the fund, which must begin to happen in the year you reach age 72.



Learn more  
at  
[sfpp.ca](https://sfpp.ca)