

Bill No. 80 of 1947.

**A BILL RESPECTING RETIREMENT AND PENSIONS
FOR PUBLIC SERVANTS**

NOTE.

This Bill repeals *The Superannuation Act* and enacts new provisions relating to pensions for employees of the Government. Only the important changes will be referred to in this note.

Section 3 provides that the Act will be administered by a Board of three members, one of whom shall be a representative of the Civil Service Association. A Director of Personnel is to be appointed who will be secretary of the Board.

Section 5 provides that employees shall contribute five per cent of their salary to the Pension Fund. The contribution under the present Act is four per cent. Contributions are limited to a period of thirty-five years and cannot be made by persons becoming employees hereafter who are fifty years of age. Interest is at three per cent or such other rate as may be fixed on the contributions of both the Government and the employee. Under the present Act the rate is five per cent.

Section 7 of the Bill sets out what pensionable service shall include and it is provided generally that no service prior to an employee reaching the age of thirty years or after reaching sixty-five years shall be deemed to be pensionable service except that service in the armed forces during the second world war shall be deemed pensionable service if the employee contributes to the superannuation or the Pension Fund an amount equal to the Government's contribution under *The Civil Servants' War Service Act*. If he has not contributed, one-half of the time of his service will count.

Section 9 sets out how the amount of the pension is to be ascertained, namely, an annual amount equal to two per cent of the average annual salary during the last five years of service multiplied by the total number of years of his pensionable service, not exceeding thirty-five years, and not exceeding in amount three thousand dollars.

Section 10 provides alternative pensions, one of which may be selected by the employee on retirement.

Section 14 provides that where an employee dies while an employee, his beneficiary shall, in addition to receiving the amount to the employee's credit in the pension fund with

interest, receive also one hundred dollars a year for each year's service, or part of a year's service not exceeding the sum of fifteen hundred dollars.

Section 23 provides for adjustment of accounts of employees of the Government who may be transferred to or from the Government service to the Alberta Government Telephones or other body having its own pension fund and *vice versa*.

Section 24 provides for permanent employees of the University other than members of the academic staff being under the Act. This section is substantially the same as a corresponding section of the present Superannuation Act.

Section 25 provides for the employees of various boards, etc., being brought under the Act by Order in Council.

Section 26 refers to certain employees who, during the war, were transferred or "lent" to the Dominion Government.

W. S. GRAY,
Legislative Counsel.

(This note does not form any part of the Bill but is offered in explanation of its provisions.)

BILL

No. 80 of 1947.

An Act Respecting Retirement and Pensions for Public Servants.

(Assented to , 1947.)

HIS MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Alberta, enacts as follows:

SHORT TITLE.

1. This Act may be cited as "*The Public Service Pension Act*."

INTERPRETATION.

2. In this Act, unless the context otherwise requires,—

- (a) "Board" or "Pension Board" means the Public Service Pension Board appointed under the authority of this Act to administer the same;
- (b) "Director of Personnel" means the administrative officer who is so designated in *The Public Service Act* and is appointed under the provisions of that Act;
- (c) "Employee" means any person employed on a full-time continuous basis by the Government or the Legislative Assembly and also any member of any class of Government employees employed each year on a seasonal basis which may be included in the operation of this Act by order of the Lieutenant Governor in Council;
- (d) "Pensionable service" means such portion of an employee's service as is to be taken into account in computing the pension payable to him under the provisions of this Act;
- (e) "Salary" includes all moneys paid to an employee whether by way of cost-of-living bonus or otherwise and the pecuniary value, as estimated by the Board, of board, lodging and every other perquisite capable of being expressed in terms of money which is given to him in return for his accustomed services;
- (f) "Service" means any period or periods during which a person is or has been an employee as defined in paragraph (c) of this section;
- (g) "Superannuation Fund" means the Superannuation Fund set up and maintained under the provisions of *The Superannuation Act*,

PENSION BOARD.

3. This Act shall be administered by a board of three persons to be appointed by the Lieutenant Governor in Council and to be known as the Public Service Pension Board, one of whom shall be nominated by the Civil Service Association of Alberta.

4.—(1) The Director of Personnel shall act as secretary to the Board and shall keep minutes of all Board meetings and have charge of all files and records required to be maintained in connection with the administration of this Act.

(2) Subject to the provisions of *The Public Service Act*, the Lieutenant Governor in Council may appoint such clerks or other assistants in the office of the Director of Personnel as may be deemed necessary in connection with the administration of this Act.

PENSION FUND.

5.—(1) Subject to the other provisions of this Act, every employee shall make contributions at the rate of five per cent of his salary to a fund to be known as the Pension Fund and to be accounted for as part of the General Revenue Fund, but in no case shall such contributions be made,—

- (a) if, in the case of a person who becomes an employee after the coming into force of this Act, he has attained the age of fifty years prior to the commencement of his service;
- (b) after the employee has attained the age of sixty-five years.
- (c) after the employee has made contributions to the Pension Fund and has had statutory deductions made from his salary under the provisions of *The Superannuation Act* for a total period of thirty-five years, pursuant to either or both of said Acts.

(2) The contributions of an employee referred to in subsection (1) shall be deducted from each payment of his salary by the Provincial Treasurer who shall credit the same to the Pension Fund and the Board shall keep a separate account of the contributions so credited in respect of each employee.

(3) At the date of coming into force of this Act, any statutory deductions and interest thereon standing at the credit of an employee in the Superannuation Fund shall be credited to his account in the Pension Fund.

(4) On the last day of June and of December in each year, a contribution shall be made by the Government to the Pension Fund in an amount which shall be not less than the total amount contributed by the employees during the preceding six months.

(5) At the date of the coming into force of this Act, the amount then standing at the credit of the Government

account in the Superannuation Fund shall be credited to an account to be set up and known as The Government Account in the Pension Fund.

(6) Interest at the rate of three per cent per annum or at such other rate as the Board may by regulation fix from time to time shall be credited by the Provincial Treasurer to each employee's account and to the Government Account in the Pension Fund on the last day of June and of December in each year, computed on the amounts to the credit of the accounts on the next preceding first day of January and of July, respectively, and in respect of each employee's account such interest shall continue to be so credited until the date of termination of his service.

(7) If at any time the Pension Fund is insufficient to provide for all the benefits payable under the authority of this Act, the Provincial Treasurer shall pay into the Pension Fund, out of the General Revenue Fund, an amount sufficient to enable such payments to be made.

RETIREMENT.

6.—(1) Subject to the other provisions of this Act, every employee shall retire from the service of the Government upon attaining the age of sixty-five years, provided that, if there be special reasons therefor, the Lieutenant Governor in Council may, upon the recommendation of the Pension Board, arrange for the continuation of the service of any employee after he has attained the age of sixty-five years, in which case the employee's retirement shall be effective, for the purposes of section 8 of this Act, upon the date of actual termination of his service.

(2) An employee who has been an employee for a total period of not less than twenty-five years may retire at any time after he has attained the age of sixty years.

(3) The Lieutenant Governor in Council, upon the recommendation of the Pension Board, may authorize the retirement of,—

- (a) any employee who has attained the age of fifty-five years; or
- (b) any employee at any age whose service has been not less than ten years and who from mental or physical disability or other cause has become incapable of effectively performing his regular duties.

PENSIONABLE SERVICE.

7.—(1) For the purposes of this Act, pensionable service shall include,—

- (a) any term or terms of an employee's service during which an account has been maintained in respect of him in the Superannuation Fund or in the Pension

Fund or in both of them under the provisions of *The Superannuation Act* or of this Act, as the case may be; and

- (b) any continuous service of an employee prior to the first day of July, 1922, in respect of which he would have been entitled to receive a non-contributory annuity under the provisions of *The Superannuation Act*, including absence on account of service in the British or Allied Forces during the First World War in the case of a person who, prior to his enlistment, was in the employ of the Government; and
- (c) one-half of any continuous service of an employee prior to the coming into force of this Act in respect of which he would not have been entitled to receive an annuity under the provisions of *The Superannuation Act*; and
- (d) in the case of a person who was in the employ of the Government at the time of his enlistment, any period of absence on account of service in the British or Allied Forces during the Second World War, the whole of which period shall be deemed to be pensionable service if such person has contributed to the Superannuation Fund or to the Pension Fund an amount equal to that contributed by the Government under the provisions of *The Civil Servants' War Service Act* in respect of him during such period; provided that if he has not so contributed, then one-half of such period shall be deemed to be pensionable service.

(2) Notwithstanding the provisions of subsection (1), no portion of any employee's service subsequent to his attaining the age of sixty-five years shall be deemed to be pensionable service.

(3) Notwithstanding the provisions of subsection (1), no portion of any employee's service prior to his attaining the age of thirty years shall be deemed to be pensionable service, except in the case of retirement of an employee under the conditions specified in paragraph (b) of subsection (3) of section 6.

(4) If an employee at any time during his service has resigned or has been dismissed and has thereafter been re-employed or re-appointed by the Government and if, in the case of an employee so re-employed or re-appointed prior to the coming into force of this Act, his account in the Superannuation Fund has not been reinstated in respect of his service prior to his resignation or dismissal, such prior service shall not be deemed to be pensionable service unless the Board, upon application of the employee and according to its judgment of the merits of his case, designates it as such; and if in any such case the Board designates such prior service as pensionable service, the employee shall pay into the Pension Fund, in such manner and upon such terms as the Board may direct, any sum paid to the employee

from the Superannuation Fund or the Pension Fund at the time of his resignation or dismissal, together with interest thereon to the date of his re-employment or re-appointment, and upon such payment in full, the service of the employee prior to his resignation or dismissal shall be deemed to be pensionable service.

PENSIONS AND OTHER BENEFITS.

8. Any employee who retires pursuant to the provisions of section 6 and whose pensionable service has not been less than ten years shall be entitled upon his retirement to receive from the Pension Fund in monthly payments, a normal pension as specified in section 9 or, at his option, an alternative pension of one of the types specified in section 10.

9.—(1) The normal pension payable to an employee upon his retirement shall be an annual amount equal to two per cent of the average annual salary paid to him during the last five years of his pensionable service, multiplied by the total number of years of his pensionable service, computed to the nearest complete month thereof, or by thirty-five, whichever number is the less; provided, however, that no normal pension shall be in an amount of more than three thousand dollars per annum.

(2) The normal pension of an employee shall be payable to him for his life or, if the employee dies within a period of five years after his retirement, it shall then be payable to a beneficiary designated by him for the remainder of the said period.

10. The alternative pensions referred to in section 8 shall be of an actuarial value equivalent in each case to that of the normal pension provided for by section 9 and such alternative pensions shall be of the following types:

- (a) A pension payable for the life of the employee and ceasing at his death; or
- (b) a pension payable for the life of the employee or a term of years certain, whichever is the longer; or
- (c) A pension payable during the joint lives of the employee and a nominee designated by him which, after the death of either, shall continue to be paid in the same amount or in an amount of two-thirds or one-half thereof, to the survivor for his life; or
- (d) Such other form of pension or payment as may, upon application of the employee and with the consent of the Board, be deemed best suited to the employee's circumstances upon his retirement.

11. The Director of Personnel, not less than ninety days before an employee attains the age of sixty-five years, shall notify him in writing as to the normal and alternative pensions from which the employee may make a selection and if the employee does not select an alternative pension prior to

his attaining the age of sixty-five years, he shall upon retirement receive a normal pension under the provisions of section 9.

12. All pensions shall be paid out of the Pension Fund by the Provincial Treasurer upon certificate of the Board.

13. When an employee, before he becomes entitled to receive a pension under the provisions of this Act, resigns or is dismissed from the service of the Government, the amount standing at his credit in the Pension Fund, including the accrued interest credited on his contributions under this Act and statutory deductions under *The Superannuation Act*, shall be paid to him, except in the case of an employee who became an employee after the coming into force of this Act and whose service at the time of his resignation or dismissal has been less than five years, in which case he shall receive no payment whatsoever.

14. If an employee dies while in the service of the Government, the amount standing to the credit of the employee's account in the Pension Fund, together with a sum equal to one hundred dollars for each year or part thereof during which the employee was in the service of the Government, such sum not to exceed fifteen hundred dollars, shall be paid to a beneficiary designated by him and such payment may be made in a lump sum or in such instalments as the Board may direct; provided, however, that if the employee dies after he has attained the age of fifty-five years, his beneficiary may be paid in lieu thereof and with the approval of the Board, a pension for life or until re-marriage in an amount of one-half the normal pension which the employee would have been entitled to receive had he retired at the date of his death.

15. Any male employee who has attained the age of sixty-five years or any female employee who has attained the age of sixty years and who, in either case, at the time of the coming into force of this Act is still in the actual employ of the Government and has been continuously so employed from the date of his or her retirement under the provisions of *The Superannuation Act* may elect within three months after the coming into force of this Act to receive, in lieu of the annuity to which such employee would be entitled under the provisions of *The Superannuation Act*, a pension equal to that which would have been payable to the employee under the provisions of this Act, had this Act been in force at the date when the employee attained the age of sixty-five or sixty years, as the case may be; and in case an employee so elects, such pension shall be payable to the employee from the Pension Fund as from the date of actual termination of the employee's service.

16. The Pension Board, if so instructed by the Executive Council, shall review and assess the adequacy of retiring

allowances, annuities or pensions in force at any time under the provisions of *The Superannuation Act* or of this Act and shall submit to the Lieutenant Governor in Council a report of its findings and recommendations in regard thereto; and if the Board so recommends, the Lieutenant Governor in Council may by order authorize the payment of such amounts in addition to any of the said allowances, annuities or pensions as may be deemed necessary and may direct that such additional amounts be paid from the Pension Fund.

GENERAL PROVISIONS.

17.—(1) Every employee of the Government shall furnish the Director of Personnel with a birth certificate, setting out the date of the employee's birth, or in case such a certificate is not procurable, shall deliver to him a statutory declaration in respect to the date of the employee's birth, made by a person having sufficient knowledge of the facts stated therein.

(2) Such certificate or declaration, as the case may be, shall be delivered to the Director of Personnel by every person who becomes an employee as soon as possible after he becomes employed.

(3) In any case where the Board is satisfied, after making due inquiry, that an employee who has not submitted satisfactory proof of his age has made any misstatement in regard thereto, the Board may in its discretion reduce the amount of the pension payable to such employee or may direct the repayment to him of such portion of the amount at his credit in the Pension Fund as it may specify, and upon such payment being made to the employee, his right to any benefit under this Act shall cease or be adjusted accordingly.

18. If any question arises as to whether any person is an employee within the meaning of this Act or as to the amount of salary of an employee or as to the extent of his pensionable service, the Board shall determine the same and its decision shall be final.

19. The interest of any employee in the Pension Fund under this Act or in any pension or other benefit granted under the provisions of this Act shall not be subject to garnishment or attachment or seizure, or any legal process, except in respect of a charge of failure to account for public moneys, and shall be unassignable.

20. After the coming into force of this Act, no person to whom this Act applies shall be entitled to claim any rights or demand any benefits set up or provided for, either expressly or by implication, under the provisions of *The Superannuation Act*, except in so far as any such rights or benefits are re-affirmed, authorized or extended by the provisions of this Act.

21. The Board shall prepare annually, and present to the Lieutenant Governor in Council on the fifteenth day of January in each year, a report of the proceedings of the Board during the last preceding fiscal year, and a statement showing the condition of the Pension Fund.

22.—(1) Subject to the provisions of *The Treasury Department Act* and subject to the approval of the Lieutenant Governor in Council, the Board may,—

- (a) prescribe forms for its use and for the use of the Director of Personnel in connection with the administration of this Act;
- (b) investigate the experience of the Superannuation Fund and the Pension Fund in respect to interest, mortality, disability, withdrawal or retirement of employees from service, and such other actuarial factors as it may be necessary to determine in order to establish a proper basis for the maintenance of the Fund and to prescribe suitable actuarial tables for the purposes of this Act;
- (c) direct the keeping of such accounts and records as it may deem necessary for the proper administration of this Act;
- (d) make regulations, consistent with the provisions of this Act, as to the method of payment of pensions, the rate of interest to be credited to the Fund, the application of the provisions of this Act in cases not specifically or expressly provided for herein, and as to any other matters or things convenient or useful in carrying out the provisions of this Act.

(2) Any regulations made by the Board under the authority of subsection (1) shall, upon being published in *The Alberta Gazette*, have the same force as if incorporated herein.

23. In respect to any persons who may be transferred to or from the employ of the Government from or to the employ of the Alberta Government Telephones, the Alberta Liquor Control Board or other body or corporation, established by and operating on behalf of the Government, whose employees are subject to the provisions of a retirement pension or superannuation plan involving a contributory fund, the Pension Board may enter into a reciprocal agreement with such other body or corporation, which agreement shall be subject to the approval of the Lieutenant Governor in Council, providing for the transfer to or from such other Fund from or to the Pension Fund of the amount of such person's contribution and interest thereon standing to the credit of his account in the Pension Fund or other fund at the time of transfer of his employment and for the recognition of his service or period of employment prior to his transfer as pensionable service in so far as the same may equitably be so recognized in conformity with the general intent and spirit of the provisions of this Act or such other plan as may

thereafter apply to him; and the terms and provisions of any such agreement shall, upon being approved by the Lieutenant Governor in Council, be of the same force and effect as if incorporated herein.

24.—(1) The provisions of this Act shall, except as herein after provided, apply *mutatis mutandis* to persons employed otherwise than temporarily by the Governors of the University of Alberta, and in this section designated University employees, except members of the academic staff and except such other University employees as may be excluded from the operation of this Act by regulation of the Governors, approved by order of the Lieutenant Governor in Council.

(2) The statutory deduction and the statutory contribution directed by section 5 shall each be made and paid into the Pension Fund by the Governors of the University of Alberta in lieu of the Provincial Treasurer at the times provided in the said section, and in every section of the Act reference to the Government contribution shall be deemed to refer to the Governors' contribution, and the interest payments directed by section 5 shall be made by the Provincial Treasurer.

(3) In the application of section 18 to University employees, the reference to the Board shall be deemed to refer to the Governors of the University of Alberta.

(4) The recommendation required by subsections (1) and (3) of section 6 shall be the recommendation of the Governors in lieu and instead of the recommendation of the Pension Board.

25. Subject to such modification and exceptions and upon such terms and conditions as may be ordered by the Lieutenant Governor in Council, the provisions of this Act may be applied to members of the Workmen's Compensation Board and persons employed by the said Board, the University Hospital Board, Marketing Services Limited, the Alberta Government Telephones, the Alberta Liquor Control Board, the Civil Service Association of Alberta, and any other classes or groups of persons, the nature and terms of whose employment are such as to permit the convenient application of the provisions of this Act to them.

26. The provisions of this Act shall not apply to any of the employees referred to in section 19b of *The Superannuation Act* unless any such employee is reinstated as an employee of the Provincial Government in accordance with the provisions of subsection (4) of that section, in which case his pensionable service shall include his term of service as an employee of the Dominion Government and upon his retirement from the employ of the Provincial Government he shall be entitled to receive a pension in accordance with the provisions of section 8.

27. This Act shall come into force on the first day of April, 1947, and thereupon the provisions of *The Superannuation Act* shall cease to apply to persons employed by the Government or by the Legislative Assembly, except in so far as the applicability of any of the said provisions to such persons is maintained and continued by the provisions of this Act.

No. 80

FOURTH SESSION
TENTH LEGISLATURE

11 GEORGE VI

1947

BILL

An Act respecting Retirement and
Pensions for Public Servants.

Received and read the

First time.....

Second time

Third time.....

HON. MR. HOOKE.

EDMONTON:
A. Shnitka, King's Printer
1947