

Bill No. 87 of 1948.

A BILL TO PROVIDE FOR VOLUNTARY
RETIREMENT PENSIONS

NOTE.

This Bill introduces a new Act providing for voluntary retirement pensions.

Sections 3 and 4 of the Act provide for the creation of a corporation known as "The Administrator of the Retirement Pension Fund", and the person who acts as Administrator from time to time is appointed by the Lieutenant Governor in Council.

Section 5 sets out the powers of the Administrator. The Administrator provides technical, actuarial and administrative facilities necessary to give information and advice regarding pension plans and to set up and administer such pension plans. The Administrator may receive deposits from employers consisting of the employers' contributions and employees' deductions under any pension plan which he approves and may administer the plan. He pays out the pensions in plans he administers. He also is empowered to invest the moneys in the Retirement Pension Fund from time to time in securities in which an insurer may invest.

By section 6 the Administrator may enter into a contract with any employer on such terms and conditions as may be mutually agreed upon whereby the Administrator administers the pension plan of the employer and provides him with technical and actuarial facilities.

By section 7 the Administrator may not enter into a contract with an employer unless deductions from employees' salaries do not exceed five per cent, the contributions of the employers are at least equal to the deductions from the employees, and the amount of the annual retirement pension does not exceed an amount actuarially equivalent to a single-life pension commencing at the age of sixty-five years of two per cent of the average annual wage or salary for the continuous five-year period of pensionable service during which the employee received the highest wage or salary.

By section 8 an employee who leaves the service of an employer whose pension plan is administered by the Administrator is entitled to withdraw his own contributions with interest or to leave the sum on deposit with the Administrator.

By section 9 the amount left on deposit by any employee with the Administrator may be added to any amount he sub-

sequently contributes under the pension plan of any other employer, or in the event of his death it is payable to his beneficiary.

Section 10 provides that the Minister shall pay a minimum of two per cent interest on all deposits in the Fund and this minimum is guaranteed by the Province.

Section 12 enables the Lieutenant Governor in Council to make contributions to the Retirement Pension Fund to be deposited to the credit of the pension plan applicable to any designated employees or class or classes of employees or the employees of any designated employer or class or classes of employers.

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. 87 of 1948.

An Act to Provide for Voluntary Retirement Pensions.

(Assented to _____, 1948.)

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 Retirement Pension Act*".

INTERPRETATION.

2. In this Act, unless the context otherwise requires,—
- (a) "Administrator" means the Administrator of the Retirement Pension Fund;
 - (b) "Employer" means any person, firm, corporation, partnership, association or public body of whatsoever nature which employs any person for wages, salary or other remuneration;
 - (c) "Fund" means the Retirement Pension Fund;
 - (d) "Minister" means the Minister of Economic Affairs.

RETIREMENT PENSION FUND.

3. There is hereby constituted a corporation sole under the name and style of "The Administrator of the Retirement Pension Fund" with perpetual succession and a seal of office.

4. The Lieutenant Governor in Council may from time to time appoint an Administrator who shall administer the Retirement Pension Fund.

5. The Administrator may,—

- (a) provide technical, actuarial and administrative facilities necessary to give information and advice to any employer regarding pension plans and to set up and administer such pension plans;
- (b) make actuarial and other calculations for any employer desirous of setting up a pension plan for his employees;
- (c) assist any employer in formulating a pension plan and in determining the deposits in the Fund required to meet the cost of any such plan;

- (d) receive and deposit in the Fund the deposits made by any employer in accordance with any pension plan approved and administered by the Administrator, which deposits may consist of contributions from the employer and deductions from the wages or salaries of his employees;
- (e) administer on behalf of any employer any pension plan for his employees approved by the Administrator;
- (f) pay pensions to employees in accordance with the pension plan applicable to them;
- (g) charge any employer for the cost of services or facilities provided to that employer and for the cost of administering the pension plan of that employer;
- (h) invest moneys deposited in the Fund by employers in connection with any pension plan in any securities and investments in which an insurer may invest pursuant to *The Alberta Insurance Act* and deal, sell, exchange, dispose of or otherwise turn to account any such securities and investments;
- (i) establish a reserve fund for meeting contingencies or equalizing interest payments, and invest, control, manage and dispose of such reserve fund;
- (j) acquire, hold, improve, develop, sell, manage, exchange, lease, dispose of or otherwise turn to account real estate or other property or rights;
- (k) do all acts and things which in the opinion of the Administrator are requisite or necessary for the purpose of providing facilities for the efficient administration of retirement pensions pursuant to this Act or which are incidental thereto.

CONTRACTS WITH EMPLOYERS.

6.—(1) The Administrator may enter into a contract with any employer upon such terms and conditions as may be mutually agreed upon whereby the Administrator will administer the pension plan of the employer and will provide the employer with such services and facilities in connection with his pension plan as the Administrator is authorized to provide pursuant to section 5.

- (2) The Administrator may enter into a contract with,—
 - (a) the Board of Administrators which administers the Teachers' Retirement Fund pursuant to *The Teachers' Retirement Fund Act*;
 - (b) the Administrative Board which administers the Superannuation Fund pursuant to *The Municipal Districts' Office Employees' Superannuation Act, 1948*;
 - (c) any other board, organization, or person approved by the Lieutenant Governor in Council which adminis-

ters on behalf of an employer or employers a pension, superannuation, or other retirement fund; on such terms and conditions as may be mutually agreed upon whereby the Administrator will administer the said pension, superannuation or other retirement fund, and will provide such services and facilities as the Administrator is authorized to provide pursuant to section 5, and whereby the Administrator, in addition to any powers which he may have pursuant to this Act, may exercise on behalf of the other party to the contract such of that party's powers as may be transferred or delegated to the Administrator by the contract.

7. The Administrator shall not enter into any such contract unless,—

- (a) the pension plan of the employer is approved by the Administrator; and
- (b) the deductions from the wages or salary of each employee under the pension plan do not exceed five per cent of the employee's wages or salary; and
- (c) the contributions of the employer are at least equal to the deductions from the wages or salaries of his employees; and
- (d) the amount of the annual retirement pension payable to any employee under the plan does not exceed an amount actuarially equivalent to a single-life pension commencing at the age of sixty-five years of two per cent of the average annual wage or salary for the continuous five-year period of pensionable service during which the employee received the highest wage or salary.

GENERAL.

8. Any employee of an employer whose pension plan is administered by the Administrator under a contract pursuant to this Act shall be entitled when he ceases to be an employee of that employer,—

- (a) to withdraw from the Fund the amount contributed by him during his pensionable service together with interest thereon and such other amounts as he may be entitled to under the contract between his employer and the Administrator; or
- (b) to leave on deposit to his credit in the Fund the amount he would be entitled to withdraw, if such amount is not less than one hundred dollars.

9. Any employee who has left an amount on deposit in the Fund shall be entitled to have the said amount and interest thereon placed to his credit and,—

- (a) it may be withdrawn by him at any time; or

- (b) it may be applied to increase the benefits payable to him under the pension plan of any other employer by whom he is employed and whose pension plan is administered by the Administrator under a contract pursuant to this Act; or
- (c) in the event of his death it shall be paid to a beneficiary designated by him, and failing any such designation, to his executors, administrators, or assigns.

10.—(1) The Administrator shall pay interest on all sums deposited in the Fund at the rate of two per cent per annum or at such higher rate as the Administrator may determine from time to time.

(2) The Province hereby guarantees the payment of interest at the rate of two per cent per annum by the Administrator.

(3) The Provincial Treasurer is hereby authorized to pay to the Administrator such sums, if any, as may be necessary from time to time to pay interest on deposits in the Fund at the rate of two per cent per annum on such terms and conditions as may from time to time be determined by the Lieutenant Governor in Council.

11. The Administrator shall furnish to the Minister such information and reports as the Minister may from time to time require.

12. The Lieutenant Governor in Council out of moneys appropriated by the Legislature for the purpose may make contributions to the Retirement Pension Fund to be deposited to the credit of the pension plan, applicable to,—

- (a) any designated employees or class or classes of employees; or
- (b) the employees of any designated employer or class or classes of employers.

13. The Lieutenant Governor in Council may make regulations not inconsistent with this Act to facilitate its administration and for the purpose of supplying any deficiency and carrying out the provisions hereof according to their true intent.

14. This Act shall come into force on the day upon which it is assented to.

FIFTH SESSION
TENTH LEGISLATURE

12 GEORGE VI

1948

BILL

An Act to Provide for Voluntary
Retirement Pensions.

Received and read the

First time

Second time

Third time

HON. MR. HOOKE.
