

Bill No. 93 of 1948.

A BILL TO AMEND THE PUBLIC SERVICE PENSION
ACT.

NOTE.

This Bill amends *The Public Service Pension Act*.

Section 2 (c) is amended so that a person must be employed for a period of one year before becoming an employee within the meaning of this Act.

Section 2 (e) is amended as to the definition of salary. The salary at which the Pension Fund contribution is calculated does not include travelling expenses, subsistence allowances, honorariums, fees, sales of transcripts, overtime pay or any other moneys paid in addition to ordinary wages or salary as a result of this amendment.

Section 2 (f) is amended so that service includes any employment after a period or periods totalling one year.

A new paragraph is added to subsection (1) of section 5. Paragraph (d) provides that no married woman shall contribute to the Pension Fund unless she is legally separated from her husband or unless she proves to the satisfaction of the Board that her husband is dependent upon her for support.

Subsection (4) of section 5 is amended to provide for monthly contributions from the Government in lieu of semi-annual contributions.

Subsection (6) of section 5 makes a minor amendment in the wording for the purpose of clarifying the intention and to make it clear that interest accrues on Government contributions as well as employees' deductions.

Subsection (1) of section 6 is struck out and three new subsections are substituted therefor. The effect of this amendment is simply to divide the present subsection (1) into two subsections which have the same effect, and to add one new subsection.

The new subsection provides that if an employee has elected for a pension payable for life or for a term of years certain whichever is the longer, the term of years certain shall commence from the date the employee attained the age of sixty-five years, notwithstanding that arrangements may be made for the continuation of his service.

A new subsection (4) is added to section 6 which provides that no person receiving a pension under this Act

who is re-employed shall be paid his pension during the period of his re-employment except to the extent that his pension exceeds his salary.

Paragraph (c) of subsection (1) of section 7 is struck out and a new paragraph substituted. The pensionable service of an employee who comes under the provisions of this Act but who did not come under the provisions of *The Superannuation Act* was defined as including one-half of the continuous service of the 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*. The effect of the amendment is that if the employee pays up his back contributions he will be entitled to a pension for the full period instead of for one-half this period. He will also be credited with one-half of any seasonal employment after having been employed for one year.

Paragraph (d) of subsection (1) of section 7 is amended. Under the amendment a person who was in the employ of the Government at the time of his enlistment is entitled to have one-half of his service with the Armed Services included as pensionable service if he makes no contributions in respect of that period, or all of his service in the Armed Services will count as pensionable service if he does make contributions to the Pension Fund in respect of the period of his service with the Armed Services. *The Alberta Civil Servants War Service Act* was somewhat restricted in its application and did not apply to all civil servants who enlisted. This amendment places all civil servants who enlisted in the same position with regard to the Pension Fund.

Subsection (3) of section 7 is amended. The effect of this amendment is that in the case of retirement of an employee under subsection (3) of section 6 all contributory service and one-half of any non-contributory service prior to the employee attaining the age of thirty years shall be deemed to be pensionable service.

Subsection (4) of section 7 is slightly amended. It presently requires an employee upon re-employment to pay interest on the moneys he redeposits in the Pension Fund for the period during which he was not employed. As this period does not become pensionable service, this requirement regarding interest is struck out. Under the amended section the employee upon re-employment if he pays up everything he withdrew from the Fund will have no interest to pay, and if he does not pay it up immediately, he will pay interest only from the date of his re-employment.

Subsection (1) of section 9 is amended. At present a pension is based on two per cent of the average annual salary paid to the employee during the last five years of his pensionable service. Normally, the employee's salary is highest during this period. However, in some cases an

employee may be on sick leave at one-half pay or no pay during the last five years of his service, or an employee who has been doing strenuous skilled labour out-of-doors at high rates of pay during the majority of his service may take an office job at lesser rates of pay for the last few years of his employment when he is physically unable to continue with his normal duties. A hardship is worked on these persons so the effect of the amendment is that the pension is calculated on the five consecutive years of pensionable service during which salary was the highest.

Section 11 is amended by substituting "Secretary of the Board" for "Director of Personnel" as it is in the first mentioned capacity that the official is acting.

Section 14 is struck out and two new sections are substituted. The new section 14 provides procedure for an employee filing a notice in writing with the Secretary of the Board designating a person as his beneficiary for the purpose of this Act.

The new section 14a is practically the same as the present section 14, although it has been reworded for clarification. If a deceased employee's beneficiary is his dependent child or children under the age of eighteen years such child or children shall also be entitled to receive the further sum which was previously payable only to the widow.

Subsections (1) and (2) of section 17 have been reworded slightly for clarification. A birth certificate or other proof of age is now required to be delivered to the Secretary of the Board within one year of the commencement of the employment of the employee.

Section 18 is amended to the effect that the Board is also the final judge "as to the amount of any pension or other benefits payable under this Act".

Section 25 is amended to include the Life Insurance Company of Alberta and the Alberta Government General Insurance Company as organizations to which the provisions of this Act may be extended by order in council. These two organizations are replacing the present Alberta Government Insurance Office which is presently under the provisions of this Act.

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. 93 of 1948.

An Act to amend The Public Service Pension Act.

(Assented to _____, 1948.)

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

1. *The Public Service Pension Act*, being chapter 7 of the Statutes of Alberta, 1947, is hereby amended as to section 2,—

(a) by adding at the end of paragraph (c) thereof the words “who in either case has been employed by the Government or the Legislative Assembly for a period or periods totalling one year”;

(b) by striking out paragraph (e) thereof and by substituting therefor the following:

“(e) ‘Salary’ means the gross amount of an employee’s ordinary salary or wages but shall not include moneys paid for travelling expenses, subsistence allowances, honorariums, fees, sales of transcripts, overtime pay, cost-of-living bonus, or any other moneys paid in addition to his ordinary salary or wages;”;

(c) by striking out paragraph (f) thereof and by substituting therefor the following:

“(f) ‘Service’ means any period or periods during which a person is or has been employed by the Government of the Legislative Assembly after having been so employed for a period or periods totalling one year;”.

2. The said Act is further amended as to section 5,—

(a) by adding immediately after paragraph (c) of subsection (1) thereof the following new paragraph:

“(d) by any married woman unless she is legally separated from her husband or unless she proves to the satisfaction of the Board that her husband is dependent upon her for support.”;

(b) by striking out subsection (4) thereof and by substituting therefor the following:

“(4) On the last day of each month, 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 that month.”;

- (c) by striking out the words “in respect of each employee’s account such interest shall continue to be so credited until the date of termination of his service.”, where the same occur in subsection (6) thereof, and by substituting therefor the words “in respect of every account such interest shall continue to be so credited until the date of termination of the employee’s service.”.

3. The said Act is further amended as to section 6,—

- (a) by striking out subsection (1) thereof and by substituting therefor the following:

“**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.

“(1a) If there be special reasons therefor, the Lieutenant Governor in Council upon the recommendation of the Pension Board may 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.

“(1b) If arrangements are made for the continuation of the service of any employee after he has attained the age of sixty-five years, and that employee has elected for a pension payable for life or for a term of years certain whichever is the longer, the term of years certain shall commence and be calculated from the date the employee attained the age of sixty-five years.”;

- (b) by adding immediately after subsection (3) thereof, the following new subsection:

“(4) No person receiving a pension under this Act who is re-employed for any period or periods, shall be paid his pension or any part thereof during any such period or periods except when the pension exceeds his salary, in which case he shall receive the amount of that excess.”.

4. The said Act is further amended as to section 7,—

- (a) by striking out paragraph (c) of subsection (1) thereof and by substituting therefor the following:

“(c) one-half of any service of a person employed prior to the coming into force of this Act, which is not included under the provisions of paragraphs (a) and (b) of this subsection:

“Provided, however, that if such person pays into the Pension Fund in such manner and upon such terms as the Board may direct, an amount equal to the contributions which he would have made in respect of any period or periods of his full-time continuous service had he been subject to the provisions of *The Superannuation Act*, or this Act, together with interest which would have accumulated thereon during such period, the whole of such period or periods of full-time continuous service, with the exception of the first year thereof, shall be deemed to be pensionable service;”;

- (b) by striking out paragraph (d) of subsection (1) thereof and by substituting therefor the following:

“(d) in the case of a person who was in the employ of the Government at the time of his enlistment and regardless of his status under the provisions of *The Alberta Civil Servants War Service Act*, 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 which has been or would have been contributed by the Government in respect of him during such period under the provisions of *The Alberta Civil Servants War Service Act* if he was or had been entitled to the benefits provided by the said Act:

“Provided that if he has not so contributed, then one-half of such period shall be deemed to be pensionable service.”;

- (c) by striking out subsection (3) thereof and by substituting therefor the following:

“(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 subsection (3) of section 6, in which case all contributory service and one-half of any non-contributory service prior to the employee attaining the age of thirty years shall be deemed to be pensionable service.”;

- (d) by striking out the words “to the date of his re-employment or re-appointment”, where the same occur in subsection (4) thereof, and by substituting therefor the words “from the date of his re-employment or re-appointment to the date of completion of such payment in full”.

5. The said Act is further amended as to section 9 by striking out the words "during the last five years of his pensionable service", where the same occur in subsection (1) thereof, and by substituting therefor the words "for the five consecutive years of his pensionable service during which his salary was the highest".

6. The said Act is further amended as to section 11 by striking out the words "Director of Personnel", where the same occur therein, and by substituting therefor the words "Secretary of the Board".

7. The said Act is further amended as to section 14 by striking out the same and by substituting therefor the following:

"14.—(1) For the purposes of this Act, any employee may designate any person or persons as his beneficiary by a notice in writing signed by him and by one witness and filed with the Secretary of the Board.

"(2) Any employee may change his beneficiary from time to time by a notice in writing signed by him and by one witness and filed with the Secretary of the Board.

"(3) Upon the filing with the Secretary of the Board of any notice in writing changing his beneficiary or upon the marriage of any employee, any notice filed prior to the filing of the notice changing the beneficiary or prior to the marriage, as the case may be, shall be null and void for all purposes and shall be cancelled by the Secretary of the Board.

"(4) If any employee fails to designate a beneficiary as aforesaid, or if his designation is null and void by reason of his subsequent marriage, or if the beneficiary so designated is dead, the employee's estate shall be deemed to be his beneficiary.

"14a.—(1) If an employee dies while in the service of the Government, the sum of fifteen hundred dollars together with the amount, if any, standing to the credit of his account in the Pension Fund, shall be paid to his beneficiary.

"(2) The amount payable under this section may be paid in a lump sum, or in such instalments as the Board may direct.

"(3) If a deceased employee's beneficiary is his widow or his dependent child or children under the age of eighteen years, the beneficiary shall also be entitled to receive from the Fund a further sum equal to the amount by which the amount at the credit of the employee's account in the Fund exceeds fifteen hundred dollars.

"(4) If an employee's age at the date of his death exceeds fifty-five years, and if his beneficiary is his widow, she may be paid, in lieu of the said payments 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.”.

8. The said Act is further amended as to section 17 by striking out subsections (1) and (2) thereof and by substituting therefor the following :

“**17.**—(1) Every employee of the Government shall deliver to the Secretary of the Board, 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 or such other proof of age as may be required by the Board.

“(2) Every employee shall deliver such certificate, statutory declaration or other acceptable proof of age, as the case may be, to the Secretary of the Board, within one year of the commencement of the employment of the employee.”.

9. The said Act is further amended as to section 18 by adding immediately after the words “as to the extent of his pensionable service”, where the same occur therein, the words “or as to the amount of any pension or other benefits payable under this Act”.

10. The said Act is further amended as to section 25 by adding immediately after the words “the Civil Service Association of Alberta”, where the same occur therein, the words “the Life Insurance Company of Alberta, the Alberta Government General Insurance Company.”.

11. This Act shall come into force on the day upon which it is assented to and upon so coming into force, paragraph (a) of section 1 and paragraph (a) of section 2 hereof shall be deemed to have been in force at all times since the first day of April, 1947.

FIFTH SESSION
TENTH LEGISLATURE
12 GEORGE VI
1948

BILL
An Act to amend The Public Service
Pension Act.

Received and read the

First time

Second time

Third time

HON. MR. HOOKE.
