

Bill No. 71 of 1949.

A BILL TO AMEND THE TEACHERS' RETIREMENT
FUND ACT.

NOTE.

This Bill amends *The Teachers' Retirement Fund Act*, being chapter 180 of the Revised Statutes of Alberta, 1942.

Teachers employed by the Board of the Teachers' Retirement Fund are now brought within the provisions of the Act so that they may contribute to the pension Fund and receive a pension in the same way as teachers employed by the Alberta Teachers' Association. Section 2 (c) (iv) and section 3 are both amended to accomplish this object.

The Fund is built up from teachers' contributions and employers' contributions. Teachers who contribute to the Teachers' Retirement Fund are employed by the Alberta Teachers' Association and by the Board of the Teachers' Retirement Fund. The Act is amended so that the Association and the Board as employers will make the normal deductions from the salaries of the teachers they employ and will also make the normal contributions to the Fund as employers of pensionable persons. Section 4 (1) is accordingly amended by the addition of a new paragraph (e) providing for contributions from the Alberta Teachers' Association and from the Board of Trustees of the Teachers' Retirement Fund.

Section 5 (1) is amended by the addition of a new paragraph (d) providing that the Association and the Board of Administrators shall retain from the salaries of the teachers they employ the normal teachers' contributions in the same way as the Board of Trustees of a school division would do. Section 5 (1) is further amended to provide that teachers will contribute to the Fund for a maximum period of thirty-five years which corresponds to a similar provision in *The Public Service Pension Act*. At the end of thirty-five years of contribution the Board by whom the teacher is employed ceases to make deductions from the salary of the teacher and also ceases to make contributions in respect of that teacher. A new subsection (3) is accordingly added to section 5 to provide that the Board of Administrators of the Teachers Retirement Fund shall give a notice in writing to the board of trustees of each school division setting out the name of each teacher employed by that board who has made contributions to the Fund for a total period of thirty-five years. A copy of this notice is also sent to the Department of Education.

The proviso to paragraph (a) of subsection (1) of section 5 is struck out and a new paragraph (bb) is added

immediately after paragraph (b) in its stead. Paragraph (a) makes provision for the board of trustees retaining the teachers' contributions to the pension Fund. Paragraph (b) provides for the retention by the Department of Education from school grants of a sum equivalent to the teachers' contributions which had been retained by the board of trustees under paragraph (a). In such case the Department pays the sum retained directly to the Board of Administrators of the Teachers' Retirement Fund. The new paragraph (bb) is an exception to this procedure. Under this paragraph the Minister of Education may authorize any board of trustees to pay the moneys retained by it under paragraph (a) directly to the Board of Administrators of the Fund. If that is done the Department does not retain anything under paragraph (b) from the amount payable as school grants. It is considered that this provision more appropriately follows paragraph (b) rather than appearing as a proviso to paragraph (a) so the proviso is accordingly struck out and a new paragraph (bb) substituted in its stead.

Section 7 (1) is amended. This section presently requires the boards of trustees of all school districts and all school divisions, except rural school districts, to pay into the Fund one-half of one per cent of the total amount of salary earned by each of its teachers. The effect of the amendment is that the section now applies to all school districts and all school divisions including rural school districts which were previously not included. At present there are only about twenty small rural districts which do not contribute to the Teachers' Retirement Fund on behalf of the teachers they employ and it appears desirable that they should commence to do so.

Section 7 is also amended by the addition of a new subsection (4) providing that the Association and the Board of Administrators of the Teachers' Retirement Fund will pay the normal employers' contributions to the Fund in respect of the teachers they employ.

Section 9 (3) is amended. The purpose of the amendment is to change the year end of the Fund from the thirty-first day of August to the thirty-first day of December. The time at which the audited statement showing the standing of the Fund must be presented to the Department is also changed from the thirty-first day of December to the thirty-first day of March. These new dates are more convenient both to the Board of Administrators of the Fund and to the Provincial Auditor.

A new section 11 is added. Prior to the first day of April, 1948, the government paid one-half of all pensions granted under the Act. At the 1948 session of the Legislature section 7a was added to the Act providing for a government contribution of three and one-half per cent of the total salaries of all teachers contributing to the Fund. This government contribution was payable to the board of the school district

or division employing the teachers, and the school board was required to remit this contribution for deposit in the Fund. This arrangement was made in lieu of the government continuing to assume the obligation to pay fifty per cent of all pensions to be granted to teachers after the first day of April, 1948. However, in respect of pensions already granted prior to the first of April, 1948, the government obligation to pay one-half of those pensions was not intended to be affected. The new section 11 is intended to make this clear and it is retroactive to the first of April, 1948. The government obligation under this section will be a continually decreasing one as the pensions granted prior to April, 1948, gradually cease to be payable.

Section 13 is amended by striking out the proviso. To assist the Teachers' Retirement Fund to get established, the Department of Education originally provided the Fund with free office space and free space for the storage of documents, files, etc. The Fund is now well established and self-sufficient and able to pay the costs of its own administration. The effect of this amendment to section 13 is to terminate the assistance from the Department of Education which is now no longer necessary.

KENNETH A. MCKENZIE,
Acting Legislative Counsel.

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

BILL

No. 71 of 1949.

An Act to amend The Teachers' Retirement Fund Act.

(Assented to _____, 1949.)

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

1. *The Teachers' Retirement Fund Act*, being chapter 180 of the Revised Statutes of Alberta, 1942, is hereby amended as to section 2 by adding immediately at the end of clause (iv) of paragraph (c) the words "or by the Board of the Teachers' Retirement Fund".

2. The said Act is further amended as to section 3 by adding immediately at the end thereof the words "or of the Board of the Teachers' Retirement Fund".

3. The said Act is further amended as to section 4 by adding immediately after paragraph (d) of subsection (1) the following new paragraph:

"(e) contributions from the Alberta Teachers' Association, or from the Board of the Teachers' Retirement Fund."

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

(a) by striking out the words "earned by him at any time", where the same occur in subsection (1) and by substituting the words "until he has made contributions to the Fund for a total period not exceeding thirty-five years";

(b) by striking out the proviso to paragraph (a);

(c) by adding immediately after paragraph (b) the following new paragraph:

"(bb) Notwithstanding the provisions of paragraph (b) the Minister of Education may authorize in writing any board of trustees to pay the moneys retained pursuant to paragraph (a) directly to the Board of Administrators in which case,—

"(i) the board of trustees shall pay the said moneys to the Board of Administration at moneys to the Board of Administrators at such time as the Board of Administrators may appoint in writing;

- “(ii) the provisions of paragraph (b) shall apply only with respect to any amounts which have been retained by a board of trustees and have not been paid over to the Board of Administrators;”;
 - (d) by adding immediately after paragraph (c) of subsection (1) the following new paragraph:
 - “(d) The Alberta Teachers’ Association and the Board of the Teachers’ Retirement Fund shall retain from the salary of each and every teacher employed by the Association or by the Board the percentage which such teacher is required to contribute to the Fund in accordance with this section, which percentage shall be deducted from each payment on account of salary made to the teacher and all moneys so retained shall be deemed to have been paid on account of his salary and shall be deemed to be a contribution to the Fund by the teacher from whom the percentage of salary has been retained, and the Association shall pay the moneys which it has retained to the Board of Administrators.”;
 - (e) by adding immediately after subsection (2) the following new subsection:
 - “(3) The Board shall give a notice in writing to the Board of Trustees of each and every school district and school division in the Province, and of the Lloydminster Public School District and the Lloydminster High School District, setting out the name of each teacher employed by that board of trustees who has made contributions to the Fund for a total period of thirty-five years, and shall send a copy of each such notice to the Department of Education.”.
- 5.** The said Act is further amended as to section 7,—
- (a) by striking out the words “city, town, village and consolidated”, where the same occur in subsection (1);
 - (b) by adding immediately after subsection (3) the following new subsection:
 - “(4) The Alberta Teachers’ Association and the Board of the Teachers’ Retirement Fund shall pay into the Fund at the end of each month an amount equal to four per cent of the total amount of the salary earned in that month by each of the teachers employed by the Association or by the Board who is required to contribute to the Fund.”.
- 6.** The said Act is further amended as to section 9,—
- (a) by striking out the word “December”, where the same occurs in subsection (3) and by substituting the word “March”;

- (b) by striking out the word "August", where the same occurs in subsection (3) and by substituting the word "December".

7. The said Act is further amended by adding immediately after section 10 the following new section:

"**11.** Every person who became entitled to receive a pension from the Fund under this Act and the regulations and by-laws of the Board on or before the first day of April, 1948, shall also be entitled to receive an equal sum out of moneys appropriated by the Legislature for that purpose, and when paying the amount to which such person became so entitled under the said regulations or by-laws, the Board shall also advance and pay such equal sum and the Provincial Treasurer shall, at the end of each month, pay over to the Board out of moneys so appropriated all sums which the Board has so advanced and paid during that month."

8. The said Act is further amended as to section 13 by striking out the words "provided, however, that the Department of Education shall provide office space for the performance of all clerical duties necessary to carrying out the objects of the Act as well as for the storing of all documents, files, cards, etc., necessary for the carrying out of the objects of this Act", where the same occur therein.

9. This Act shall come into force on the day upon which it is assented to, and upon so coming into force section 7 shall be deemed to have been in force at all times on and after the first day of April, 1948.

No. 71

FIRST SESSION
ELEVENTH LEGISLATURE
13 GEORGE VI
1949

BILL
An Act to amend The Teachers'
Retirement Fund Act.

Received and read the

First time

Second time

Third time

HON. MR. CASEY.
