

Bill No. 94 of 1951.

A BILL TO ESTABLISH A RETIREMENT ANNUITY  
PLAN FOR RESIDENTS OF ALBERTA.

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NOTE.

This Bill enacts a new Act to be known as "*The Annuities Act*".

The Provincial Treasurer is required to establish and administer an annuity fund. Any person who resides in the Province may purchase a retirement annuity by depositing in the fund an initial amount of not less than ten dollars. Additional deposits of any amount may be made at any time until the date of the purchaser's retirement. The maximum annuity that may be purchased is the actuarial equivalent of a single life annuity of fifteen hundred dollars per year commencing at the age of sixty years.

Compound interest is payable on amounts on deposit in the fund at the rate of three and one-half per cent per annum. Interest is credited quarterly from the date of deposit to the date of retirement. If the earnings of the fund are insufficient to pay this rate of interest the Provincial Treasurer pays in whatever may be required from the General Revenue Fund.

If at any time the Act is amended by reducing the rate of interest the reduction does not apply to purchasers' annuity accounts opened prior to the date of the reduction. These accounts continue to be credited with interest at the rate in effect when the initial deposit was made opening the account. The reduced interest is paid in respect of accounts opened after the reduction comes into force.

A purchaser, at his option, may fix his date of retirement at any date after he has attained the age of sixty years. He may select a single life annuity, a joint life annuity or a guaranteed term annuity for any term of not less than five years. The Provincial Treasurer then pays from the purchaser's annuity account the retirement annuity selected by the purchaser. Annuities are payable annually, semi-annually, quarterly or monthly. However, no amount payable on account of any annuity can be less than ten dollars. If the purchaser is unable to select an annuity which provides for payments of at least ten dollars, the Provincial Treasurer may pay the sum in the purchaser's account in a lump sum or in such instalments as the Provincial Treasurer may determine.

At the date of any purchaser's retirement the amount in his annuity account is transferred to an account in the fund known as the annuity reserve account out of which annuities are paid. This account is also credited with interest at the rate of three and one-half per cent per annum. If the earnings of the fund are insufficient to pay this rate of interest, the Provincial Treasurer pays in whatever may be required from the General Revenue Fund.

In the event of the death of the purchaser before attaining the date of his retirement, the total amount of all his deposits are payable to his estate, together with simple interest at the rate of three per cent per annum.

At any time after five years from the making of a deposit the purchaser may withdraw all or part of that deposit. In the case of withdrawals of amounts exceeding a thousand dollars, the Provincial Treasurer may require up to sixty days' notice.

The interest on the money withdrawn is forfeited by the purchaser. The amount forfeited is credited to the revenue derived from the investments of the fund in that year and for the purpose of calculating this interest the moneys deposited last that have been in the fund for five years are deemed to be withdrawn first.

The fund and the payment of all annuities, interest and other moneys from the fund are guaranteed by the Province. The Provincial Treasurer is required to invest the moneys in the fund in the debentures, bonds or other securities of cities, towns, villages, counties and municipal districts within the Province that are approved by him. Where no investments of this nature are available, the Provincial Treasurer may temporarily invest the surplus moneys in provincial or dominion bonds. However, as approved securities of municipalities within the Province become available for investment, the Provincial Treasurer is required to dispose of the provincial and dominion bonds unless they have to be sold at a loss and to purchase the municipal securities. The rate of interest payable by municipalities will be fixed by the Lieutenant Governor in Council.

The Lieutenant Governor in Council is authorized to make regulations to facilitate the administration of the Act and to enable the carrying out of its provisions according to their true intent. The tables for determining the value of annuities will be adopted from time to time by regulation. Each purchaser is entitled to his annuity on a table not less favourable to him than the one in force at the date of his initial deposit.

Annuities are not assignable or transferable and no trusts respecting annuity accounts will be recognized.

A purchaser's annuity account cannot be garnisheed, seized or levied upon. However, if a court is satisfied that a purchaser has made a deposit with intent to delay, hinder or defraud his creditors, the Provincial Treasurer may pay

the sum so deposited to the creditors or their representatives. Any sum so paid is deemed to be a withdrawal by the purchaser so interest is forfeited on the deposit and the annuity is reduced proportionately. However, a creditor cannot bring an action in respect of a deposit more than two years from the time at which the deposit complained of was made.

This Bill comes into force on the 1st day of July, 1951.

KENNETH A. MCKENZIE,  
*Legislative Counsel.*

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

# BILL

No. 94 of 1951.

An Act to Establish a Retirement Annuity Plan for  
Residents of Alberta.

(Assented to \_\_\_\_\_, 1951.)

**H**IS 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 Annuities Act*". Short title

## Interpretation.

2. In this Act, unless the context otherwise requires,—
- (a) "annuity reserve account" means the account in the fund provided for under section 14 out of which annuities are payable; Interpretation  
"annuity  
reserve  
account"
  - (b) "fund" means the annuity fund established under this Act and includes each purchaser's annuity account and the annuity reserve account; "fund"
  - (c) "purchaser" means a person who has one or more deposits to his credit in an annuity account in the fund. "purchaser"

## Annuity Fund.

3. The Provincial Treasurer shall establish and administer the annuity fund. Annuity  
fund

4. Any Canadian citizen who has resided in the Province for not less than three years may purchase a retirement annuity by depositing in the fund an initial amount of not less than ten dollars. Persons  
eligible to  
purchase  
annuity and  
initial  
deposit

5. (1) A purchaser may make additional deposits of any amount in his annuity account in the fund, subject to subsection (3). Deposits in  
annuity  
account

(2) The additional deposits may be made at any time between the date of the purchaser's initial deposit and the date of his retirement.

(3) The maximum annuity that may be purchased is an annuity that is the actuarial equivalent of a single life annuity of fifteen hundred dollars per year commencing at the age of sixty years.

### Interest on Purchaser's Annuity Account.

- Interest**            **6.** The Provincial Treasurer shall credit each purchaser's annuity account in the fund with interest at the rate of three and one-half per cent per annum on the last day of each quarter, computed on the total amount of deposits and interest standing to the credit of the purchaser in his annuity account on the last day of the preceding quarter.
- Calculation of interest on retirement**        **7.** The Provincial Treasurer shall pay interest at three and one-half per cent per annum on the purchaser's annuity account for any portion of a quarter elapsing between the date of the immediately preceding computation of interest and the date of the purchaser's retirement.
- Procedure when revenue insufficient to pay interest**        **8.** In any fiscal year when the revenue derived from the investment of the fund is insufficient to pay interest at the rate required by sections 6 and 7, on or before the thirty-first day of March in that year, the Provincial Treasurer shall deposit in the fund such amount from the General Revenue Fund as may be required in order to credit the purchasers' annuity accounts with interest at the said rate.
- Reduction in interest rate**        **9.** If at any time this Act is amended by reducing the rate of interest,—
- (a) the reduction shall not apply to the annuity account of any purchaser who made his initial deposit prior to the date of the reduction, which annuity account shall continue to be credited with interest at a rate not less than that in effect when the initial deposit was made; and
  - (b) the reduced interest shall be paid only in respect of annuity accounts where the initial deposit is made after the reduction in interest comes into force.

### Retirement Annuity.

- Date of retirement**        **10.** A purchaser, at his option, may fix any date after he has attained the age of sixty years as the date of his retirement by giving to the Provincial Treasurer,—
- (a) thirty days' notice in writing; and
  - (b) proof of his age.
- Notice of selection of annuity**        **11.** (1) At the date of his retirement the purchaser may select,—
- (a) a single life annuity; or
  - (b) a joint life annuity; or
  - (c) a guaranteed term annuity for any term of not less than five years;
- by giving a notice of his selection to the Provincial Treasurer in writing.
- (2) The notice to the Provincial Treasurer shall indicate whether the purchaser wishes the annuity to be paid annually, semi-annually, quarterly or monthly.

**12.** (1) All annuities shall be based on tables in use for the time being that are approved by the Lieutenant Governor in Council under section 22. Basic tables for annuities

(2) If at any time the Lieutenant Governor in Council adopts a table that is less favourable to any purchaser than the table in effect when that purchaser made his initial deposit in his annuity account,—

- (a) the table so adopted shall not apply to that purchaser who shall be entitled to an annuity on a table not less favourable to him than the table in effect when his initial deposit was made;
- (b) the table so adopted shall apply only in respect of a purchaser who makes his initial deposit after the adoption of that table.

**13.** (1) The Provincial Treasurer shall pay from the fund the retirement annuity selected by the purchaser. Payment of retirement annuity

(2) Notwithstanding subsection (1), no amount payable by the Provincial Treasurer on account of any annuity under section 11 shall be less than ten dollars.

(3) If the purchaser is unable to select any annuity under section 11 which provides for payments of at least ten dollars, the Provincial Treasurer may pay the sum in the purchaser's annuity account in a lump sum or in such instalments as the Provincial Treasurer may determine.

#### **Annuity Reserve Account.**

**14.** At the date of any purchaser's retirement the amount in his annuity account shall be transferred to an account in the fund to be known as the annuity reserve account. Annuity reserve account

**15.** The Provincial Treasurer shall credit the annuity reserve account with interest at the rate of three and one-half per cent per annum on the last day of each quarter computed on the total amount in the annuity reserve account on the last day of the preceding quarter. Annuity reserve account interest

**16.** In any fiscal year when the revenue derived from the investment of the fund is insufficient to pay interest at the rate required by section 15, on or before the thirty-first day of March in that year, the Provincial Treasurer shall deposit in the fund such amount from the General Revenue Fund as may be required in order to credit the annuity reserve account with interest at the said rate. Procedure when revenue insufficient to pay annuity reserve account interest

#### **Death Before Retirement.**

**17.** (1) If a purchaser dies prior to attaining the date of his retirement, the Provincial Treasurer shall pay to the purchaser's estate,— Payment to estate

- (a) the total amount of all deposits made by the purchaser in his annuity account; and

(b) simple interest at the rate of three per cent per annum payable from the last day of each quarter in respect of all deposits made in that quarter to the date on which payment is made to the purchaser's estate.

(2) The difference between the interest credited to the purchaser's annuity account and simple interest at three per cent per annum shall be transferred by the Provincial Treasurer from the purchaser's annuity account and credited to the revenue derived from the investments of the fund in that year.

#### Withdrawals.

Withdrawal  
of deposits

**18.** (1) At any time after five years from the making of a deposit in his annuity account the purchaser may withdraw all or part of the amount of that deposit.

(2) No money shall be withdrawn that has not been in the purchaser's annuity account for at least five years.

(3) In the case of a withdrawal of any amount exceeding one thousand dollars, the Provincial Treasurer, in his discretion, may require such number of days' notice of the withdrawal as he deems advisable not exceeding a maximum of sixty days' notice.

Interest on  
withdrawals

**19.** (1) The interest on the money withdrawn shall be forfeited by the purchaser and the Provincial Treasurer shall transfer the same from the purchaser's annuity account and credit it to the revenue derived from the investments of the fund in that year.

(2) For the purpose only of calculating the interest on money withdrawn, the moneys deposited last which have been in the purchaser's annuity account for at least five years shall be deemed to be withdrawn first.

#### General Provisions.

Fund and  
payments  
guaranteed

**20.** The fund and the payment of all annuities, interest and other moneys from the fund are guaranteed by the Province.

Investment  
of annuity  
fund moneys

**21.** (1) The Provincial Treasurer shall invest the moneys in the fund in the debentures, bonds or other securities of any city, town, village, county or municipal district in the Province which are approved by him.

(2) Where no approved debentures, bonds or other securities referred to in subsection (1) are available for investment, the Provincial Treasurer may temporarily invest the surplus moneys in the fund in bonds or debentures of any province or bonds of the Dominion of Canada.

(3) As approved municipal investments authorized under subsection (1) become available, the Provincial Treasurer

shall sell investments made under subsection (2) to the extent necessary to purchase the available municipal debentures, bonds or other securities.

(4) Notwithstanding subsection (3) the Provincial Treasurer shall not be required to sell investments made under subsection (2) at a loss in order to purchase investments authorized under subsection (1) if in his discretion he deems it inadvisable to do so.

(5) The interest payable by any city, town, village, county or municipal district on debentures, bonds or other securities purchased by the fund shall be at such rate as may be fixed by the Lieutenant Governor in Council. Interest on investments

**22.** The Lieutenant Governor in Council may make such regulations as may be deemed necessary or expedient,— Regulations

- (a) adopting tables for determining the value of annuities;
- (b) prescribing the modes of proving the age and identity and the existence or death of persons;
- (c) prescribing the modes of dealing with applications for unclaimed annuities;
- (d) prescribing forms to be used in connection with the administration of this Act;
- (e) to facilitate the administration of this Act and to enable the carrying out of its provisions according to their true intent.

**23.** (1) No property, right, title, benefit or interest in a purchaser's annuity account, or in his annuity, shall be transferable either at law or in equity. Annuity not transferable

(2) The Provincial Treasurer shall not recognize or be affected by notice of any trust relating to any purchaser's annuity account or affecting moneys paid or payable in respect of an annuity.

**24.** (1) A purchaser's annuity account and the moneys paid or payable in respect of an annuity shall not be garnisheed, seized nor levied upon by or under the process of any court. Annuity not subject to garnishee, seizure or levy

(2) Notwithstanding subsection (1), if a purchaser makes a deposit with intent to delay, hinder or defraud creditors, the creditors, upon establishing such intent before a court of competent jurisdiction, shall be entitled to receive, and the Provincial Treasurer is authorized to pay to them, or to any persons authorized by the court to receive it on their behalf, any sum so deposited by the purchaser. Right of creditors

(3) Any sum so paid shall be deemed to be a withdrawal by the purchaser.

(4) If an annuity is then payable, the present value of the annuity shall be reduced by the amount the Provincial Treasurer pays to the creditors and the annuity payable to the purchaser shall be reduced proportionately.



(5) The creditors shall not bring any action in respect of the deposit after the lapse of two years from the time at which the deposit complained of was made.

Coming  
into force

**25.** This Act shall come into force on the first day of July, 1951.

No. 94

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FOURTH SESSION  
ELEVENTH LEGISLATURE

15 GEORGE VI

1951

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**BILL**

An Act to Establish a Retirement  
Annuity Plan for Residents of  
Alberta.

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Received and read the

First time .....

Second time .....

Third time .....

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HON. MR. MANNING.

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