

Bill No. 106 of 1951.

A BILL TO AMEND THE PUBLIC SERVICE PENSION
ACT.

NOTE.

This Bill amends *The Public Service Pension Act*, being chapter 7 of the Statutes of Alberta, 1947.

The amendments to section 2, clause (c), section 7, subsection (1), sections 8 and 8a (1), sections 23, 25 and 26 are to ratify Order in Council No. 714/50 passed on June 12th, 1950.

Section 2 is amended by striking out clause (c) and by substituting a new clause which changes the definition of "employee" to exclude employees whose salary is calculated on an hourly or daily basis.

Section 5 is amended in order to have all moneys paid into the General Revenue Fund instead of into the Pension Fund and by subsection (6) the payment of benefits payable under the Act is guaranteed by the Government of the Province. This provision obviates the necessity of a special fund but ensures the payment of pensions under the guarantee of the Province.

Section 6 is amended by adding a new subsection (3a). The new subsection enables the Board to refer to the Workmen's Compensation Board any question as to whether an employee is incapable of actively performing his regular duties by reason of mental or physical disability or for any other cause.

A new section 6a is added which enables the Board to review the case of any person receiving a pension by reason of disability and if the Board is of the opinion that the person has recovered sufficiently to perform his former or other duties he may be offered re-employment.

Subsection (2) of section 6a provides that when a person is offered re-employment his pension shall cease whether he refuses or accepts the offer and subsection (3) provides that where he does not accept the offer and the amount of the allowances already paid to him under the Act is less than his contributions and interest, the amount of the difference shall be paid to him in such manner as may be prescribed by the Board.

Subsections (4) and (5) enable the employee to again commence payment of contributions under the Act and provide for counting his service and re-appointment as pensionable service.

Section 7 is amended by adding a new clause (e) which enables a person who has been paid on an hourly or daily basis to have his service on an hourly or daily basis counted as pensionable service if the employee becomes an employee within the meaning of the Act and pays into the General Revenue Fund an amount equal to the contributions which he would have made had he been subject to the provisions of the Act. Subsection (4) is struck out and replaced by a new section 7a.

This new section 7a provides for the case of an employee who has resigned and has thereafter been re-employed or re-appointed. In such a case his service prior to resignation shall not be deemed to be pensionable service unless the Board designates it as such and the employee makes payments prescribed by the Board under subsection (4). The Board in its discretion may consider whether the employee's prior service should be designated as pensionable service and if it decides that it shall be pensionable service, shall prescribe the method of payment into the General Revenue Fund.

Section 8 is amended to make it subject to the provisions of section 8a and by striking out the reference to a "Pension Fund" and substituting a reference to the "General Revenue Fund".

A new section 8a is added which enables an employee whose pensionable service has not been less than ten years and who is retired from the service on account of illness or disability which does not fully disable him from entering gainful employment to be granted a pension which is the actuarial equivalent at his age of retirement of the normal pension which would have been payable to him were his age then sixty-five as determined by actuarial tables.

Section 9, subsection (1) is amended to provide that instead of a pension being based on the five consecutive years of his pensionable service during which the pensioner's salary was the highest, it shall in future be paid on the salary received during the last five years of his pensionable service.

The amendments to sections 12 and 13 are necessary because in future moneys contributed pursuant to the Act will be paid into the General Revenue Fund instead of the Pension Fund.

Section 14a is amended by striking out subsection (1) which provides for the payment of fifteen hundred dollars to the employee's beneficiary. This new subsection (1) provides that if an employee dies while in the service of the Government the amount standing to the credit of his account in the records of the Pension Board shall be paid to his beneficiary. Subsection (3) is struck out and a new subsection substituted which provides that the deceased's

beneficiary shall only be entitled to receive a sum equal to the amount standing to the credit of the employee's account.

Section 16 is repealed in order that the amount of the allowances, annuities or pensions payable under the Act will be governed by the provisions of the Act and may not be increased by the Lieutenant Governor in Council.

Section 19 is amended to indicate that the interest of the employee is in the General Revenue Fund rather than in the Pension Fund.

The amendments to sections 21 and 22 are necessitated by reason of the fact that the Pension Fund as such has been discontinued under the Act.

Section 23 is struck out and a new section substituted. The new section enables the Pension Board to enter into reciprocal agreements with the Alberta Government Telephones, the Alberta Liquor Control Board or other boards or corporations mentioned therein for the purpose of transferring any credits to which a person may be entitled in one fund to another fund.

Section 24 is amended to provide that payments received from the Governors of the University shall be paid into the General Revenue Fund and also provides that the Board rather than the Governors of the University shall determine who is an employee within the meaning of the Act.

Section 25 is struck out and a new section substituted. The new section provides for the terms and conditions under which the Act may be applied to the boards, corporations and persons therein referred to.

Section 26 is struck out and a new section substituted. The new section enables the Government to provide for reciprocal arrangements with the employees of the Government of Canada who may be employed in this Province and to make the Act applicable to such employees on certain terms and conditions.

The Bill comes into force on the first day of July, 1951, except for section 2, section 6, clause (a), sections 9, 20 and 22 which shall be deemed to have been in force at all times on and after the first day of April, 1950.

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. 106 of 1951.

An Act to amend The Public Service Pension Act.

(Assented to _____, 1951.)

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.

2. Section 2 is amended by striking out clause (c) and by substituting the following: Section 2 amended

“(c) ‘employee’ means any person employed on a full time continuous basis by the Government or the Legislative Assembly, and any member of any class of Government employees employed each year on a seasonal basis which class may be included in the operation of this Act by order of the Lieutenant Governor in Council who in either case,— “employee”

“(i) has been employed by the Government or the Legislative Assembly for a period or periods totalling one year; and

“(ii) receives a salary which is calculated on a basis other than an hourly or daily basis; and

“(iii) is eligible to make contributions pursuant to this Act or for whom an account is maintained by the Pension Board;”.

3. Section 5 is amended,— Section 5 amended

- (a) by striking out the words “a fund to be known as the Pension Fund and” where they occur in subsection (1) and by substituting the words “the General Revenue Fund”;
- (b) by striking out the words “to the Pension Fund” where they occur in clause (c) of subsection (1) and by substituting the words “pursuant to this Act”;
- (c) by striking out the word “Pension” where it occurs in subsection (2) and by substituting the words “General Revenue”;
- (d) by striking out subsections (3), (4), (5), (6) and (7) and by substituting the following:

“(3) Interest at the rate of three per cent per annum or at such other rate as the Board may fix from time to time shall be credited by the Pension Interest on accounts

Board to each employee's account 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 every account such interest shall continue to be so credited until the date of termination of the employee's service.

Appropriation to cover payment of benefits

"(4) The Provincial Treasurer, in each year, shall appropriate from the General Revenue Fund sufficient moneys to provide in each year for the payments of all benefits payable under this Act.

Payment of benefits guaranteed

"(5) The payment of all benefits payable under this Act is guaranteed by the Government of the Province of Alberta."

Section 6 amended

4. Section 6 is amended by adding immediately after subsection (3) the following new subsection:

Report of Workmen's Compensation Board as to employee's incapacity

"(3a) In order to determine whether an employee is incapable of effectively performing his regular duties by reason of mental or physical disability or for any other cause, the Pension Board may require the employee to be examined by the Workmen's Compensation Board which shall submit a report as to the employee's incapacity."

New section 6a

5. The following new section 6a is added immediately after section 6:

Offer of re-employment

"6a. (1) The Board may review the case of any person receiving a pension under section 6, subsection (3), clause (b) and if, in the opinion of the Board, the person has recovered sufficiently to perform his former or other duties, the Board shall report the case to the Lieutenant Governor in Council who may direct that he be offered re-employment.

Pension ceases upon offer of re-employment

"(2) When a person is offered re-employment under this section his pension shall cease regardless of whether he accepts or refuses the offer.

Difference payable where allowance is less than contributions and interest

"(3) Where a person does not accept the offer of re-employment under this section and the amount of the allowances paid to him is less than his contributions and interest credited thereon, the amount of the difference shall be paid to him in the manner prescribed by the Board and he shall have no further claim under this Act.

Contributions upon re-appointment

"(4) Any employee who accepts re-employment pursuant to this section shall make the contributions required by this Act to be made and upon retirement shall be entitled to have all his periods of service counted as pensionable service.

"(5) If a person who accepts re-employment dies while in the service of the Government the amount which he has been paid while in receipt of a pension shall be deducted from the amount payable pursuant to section 14a."

Section 7 amended

6. Section 7 is amended,—

(a) by adding immediately after clause (d) where it occurs in subsection (1) the following new clause:

“(e) in any case where a person who has been employed on a full time continuous basis and who has been paid on an hourly or daily basis becomes an employee, the service of such person while he was paid on an hourly or daily basis may be counted as pensionable service if the employee pays into the General Revenue Fund, in such manner and on such terms as the Board may direct, an amount equal to the contributions which he would have made in respect of his period or periods of full time continuous service had he been subject to the provisions of this Act or *The Superannuation Act*, together with interest which would have accumulated thereon during such period and in such case the whole of such period or periods of full time continuous service, with the exception of the first year, shall be deemed to be pensionable service.”;

(b) by striking out subsection (4).

7. The following new section 7a is added immediately after section 7:

“7a. (1) If an employee has resigned or has been dismissed at any time during his service and has thereafter been re-employed or re-appointed by the Government, his service prior to his resignation or dismissal shall not be deemed to be pensionable service unless the Board designates it as such and the employee makes the payments prescribed by the Board under subsection (4).”

When re-employment deemed pensionable service

“(2) Upon the application of the employee the Board shall consider whether the employee’s prior service should be designated as pensionable service.”

Application to have prior service designated as pensionable service

“(3) The Board in its discretion may designate or refuse to designate such prior service as pensionable service according to its judgment of the merits of the case.”

Designation of prior service as pensionable service

“(4) If the Board designates the prior service as pensionable service the employee shall pay into the General Revenue 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 or the General Revenue Fund at the time of his resignation or dismissal together with interest thereon from the date of his re-employment or re-appointment to the date of completion of such payment in full.”

Payments into fund upon designation of prior service as pensionable service

“(5) Upon the employee completing the payments required by subsection (4) his service prior to his resignation or dismissal shall be deemed to be pensionable service.”

8. Section 8 is amended,—

Section 8 amended

(a) by adding immediately before the words “Any employee” the words “Subject to the provisions of section 8a,”;

- (b) by striking out the words “the Pension Fund” and by substituting the words “the General Revenue Fund”.

New section
8a

9. The following new section 8a is added immediately after section 8:

Calculation
of pension
upon retire-
ment after
ten years'
service

“**8a.** (1) Where an employee whose pensionable service has not been less than ten years is retired from the service on account of illness or disability which does not wholly disable the employee from entering any gainful employment, the Board may grant such employee a pension which shall be the actuarial equivalent at his age of retirement of the normal pension which would have been payable to him were his age then sixty-five, as determined by the actuarial tables approved by the Board for this purpose.

“(2) The Board, if it is satisfied that a person who has been granted a partial disability pension pursuant to this section has become completely disabled before he reaches age sixty-five as a result of the illness from which he was suffering at the date of his retirement, upon application of such person before he reaches age sixty-five, may grant that person a normal pension as specified in section 9.”.

Section 9
amended

10. Section 9, subsection (1) is amended by striking out the words “for the five consecutive years of his pensionable service during which his salary was the highest” and by substituting the words “during the last five years of his pensionable service”.

Section 12
amended

11. Section 12 is amended by striking out the word “Pension” and by substituting the words “General Revenue”.

Section 13
amended

12. Section 13 is amended,—

- (a) by striking out the words “in the Pension Fund” and by substituting the words “in the records of the Pension Board”;
- (b) by striking out the words “contributed to the Pension Fund” and by substituting the words “made contributions pursuant to this Act”.

Section 14a
amended

13. Section 14a is amended,—

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

“**14a.** (1) If an employee dies while in the service of the Government, the amount standing to the credit of his account in the records of the Pension Board shall be paid to his beneficiary.”;

- (b) by striking out subsection (3) and by substituting the following:

“(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

Payment to
beneficiary

Payments to
widow or
dependents
under
eighteen

entitled to receive a further sum equal to the amount standing to the credit of the employee's account.”.

14. Section 15 is amended by striking out the words “Pension Fund” and by substituting the words “General Revenue Fund”. Section 15
amended

15. Section 16 is repealed. Section 16
repealed

16. Section 17, subsection (3) is amended by striking out the words “Pension Fund” and by substituting the words “records of the Pension Board”. Section 17
amended

17. Section 19 is amended by striking out the words “The interest of any employee in the Pension Fund under this Act” and by substituting the words “The interest, under this Act of any employee in the General Revenue Fund”. Section 19
amended

18. Section 21 is amended by striking out the words “the condition of the Pension Fund” and by substituting the words “the total amount of contributions by employees under this Act and *The Superannuation Act* and the amount of interest credited to the employees' contributions”. Section 21
amended

19. Section 22 is amended,— Section 22
amended

(a) by striking out clause (b) and by substituting the following:

“(b) investigate the experience under this Act in respect to interest, mortality, disability, withdrawals, retirement of employees from service, and such other matters as the Lieutenant Governor in Council may designate;”;

(b) by striking out the words “to the Fund” where they occur in clause (d) of subsection (1) and by substituting the words “on contributions”.

20. Section 23 is struck out and the following is substituted: Section 23
amended

“**23.** (1) The Pension Board may enter into a reciprocal agreement with the Alberta Government Telephones, the Alberta Liquor Control Board, or any other body or corporation, or in the case of a teacher, with the Board of Administrators of the Teachers' Retirement Fund, for the purpose of transferring any credits to which any person may be entitled who is being transferred to or from employment of the Government from or to the employment of any such body or corporation, or in the case of a teacher, from or to the employment of the employer of a teacher within the meaning of *The Teachers' Retirement Fund Act*,—

“(a) if such other body or corporation was established by or is operating on behalf of the Government;

Reciprocal
agreement
to transfer
pension
funds

“(b) if the employees of such other body or corporation are subject to the provisions of a retirement pension or superannuation plan involving employee contributions.

Reciprocal agreements subject to approval of Lieutenant Governor in Council

“(2) Any agreement made under this section shall be subject to the approval of the Lieutenant Governor in Council and upon being approved its terms and provisions shall have the same force and effect as if incorporated herein.

Provisions of reciprocal agreement

“(3) Any agreement made under this section may provide,—

“(a) in the case of the transfer of an employee from the service of the Government, for the transfer from the General Revenue Fund to the pension fund of the other party to the agreement of,—

“(i) the amount of the employee’s contributions and interest thereon standing to the credit of his account in the records of the Pension Board at the time of transfer of his employment; and

“(ii) a Government contribution equal to the amount in the employee’s account under subclause (i);

“(b) in the case of the transfer of an employee to the Government service, for the transfer to the General Revenue Fund from the pension fund of the other party to the agreement of,—

“(i) the amount of the employee’s contributions and interest thereon standing to the credit of his account in the pension fund at the time of transfer of his employment; and

“(ii) the amount of his employer’s contributions and interest thereon;

“(c) for recognition of the service or period of employment of the employee 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 pension plan as may thereafter apply to him.”.

Section 24 amended

21. Section 24 is amended by striking out subsections (2), (3) and (4) and by substituting the following:

Deductions by University paid into General Revenue Fund

“(2) The statutory contributions directed by section 5 shall be made and paid into the General Revenue Fund by the Governors of the University of Alberta in lieu of the Provincial Treasurer at the times provided in the said section.

Contributions by University

“(3) On or before the last day of each month a contribution shall be made by the Governors of the University of Alberta to the General Revenue Fund of an amount equivalent to the total amount contributed by the University employees during that month.”.

22. Sections 25 and 26 are struck out and the following are substituted:

"25. Subject to such modifications 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,—

"(a) members and employees of,—

"(i) the Workmen's Compensation Board;

"(ii) the University Hospital Board;

"(iii) the Alberta Liquor Control Board;

"(iv) The Petroleum and Natural Gas Conservation Board;

"(b) employees of,—

"(i) Marketing Services Limited;

"(ii) the Alberta Government Telephones;

"(iii) the Civil Service Association of Alberta;

"(iv) the Life Insurance Company of Alberta;

"(v) the Alberta General Insurance Company;

"(vi) health units constituted pursuant to *The Public Health Act*;

"(c) nurses employed pursuant to *The Nursing Service Act*;

"(d) any other class or group 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. (1) In any case where the duties or functions or any part thereof of any Department of the Government of Canada are or have been assumed by the Government of the Province and any person employed by the Government of Canada in the performance of those duties and functions immediately became or becomes employed by the Government of the Province, the pensionable service of such employee may include his term of pensionable service as an employee of the Government of Canada subject to the provisions of subsection (2) and the approval of the Board.

"(2) No person shall be credited with any pensionable service under this section until he has paid into the General Revenue Fund an amount equal to the contributions which would have been paid by such person and by the Government of the Province together with interest in respect of the salary earned by such person while he was in the employ of the Government of Canada, as if he had been employed during that time by the Government of the Province.

"26a. All moneys standing to the credit of any employee or the Government in the Pension Fund on the date of coming into force of this Act shall be transferred into the General Revenue Fund."

23. This Act shall come into force on the first day of July, 1951, and upon so coming into force section 2, section

Sections 25 and 26 amended and new section 26a

To whom Act may apply

Pensionable service of employees transferred from Dominion to Provincial service

Payments required to be made by transferred employee

Coming into force

6, clause (a), sections 9, 20, and 22, shall be deemed to have been in force at all times on and after the first day of April, 1950.

No. 106.

FOURTH SESSION
ELEVENTH LEGISLATURE
15 GEORGE VI
1951

BILL

An Act to amend The Public Service
Pension Act.

Received and read the

First time

Second time

Third time

HON. MR. HOOKE
