No. 2

2nd Session, 13th Legislature, Alberta
4 Elizabeth II, 1956

BILL 2

A Bill respecting Retirement and Annuities for Temporary and Seasonal Employees of the Province Who Are Not Eligible To Participate in The Public Service Pension Act

HON. MR. HOOKE

EDMONTON, ALBERTA
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Explanatory Note

1. This Bill will provide a superannuation and retirement plan for employees who are employed temporarily and seasonally and who do not therefore come under The Public Service Pension Act.

This clause sets out the short title of the Act.

2. Definitions of terms used.

3. Requiring that Act be administered by the Pension Board.

4. Section 18 of The Public Service Pension Act reads as follows:

"18. If any question arises as to whether any person is an employee within the meaning of this Act or as to the amount of salary of an employee or as to the extent of his pensionable service or as to the amount of any pension or other benefits payable under this Act, the Board shall determine the same and its decision shall be final."

BILL

No. 2 of 1956

An Act respecting Retirement and Annuities for Temporary and Seasonal Employees of the Province Who Are Not Eligible To Participate in The Public Service Pension Act

(*Assented to , 1956*)

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

1. This Act may be cited as *"The Temporary Provincial Employees Retirement Act"*.

2. In this Act,

(*a*) "board" means the Public Service Pension Board appointed under the authority of *The Public Service Pension Act;*

(*b*) "contributory service" means any period or periods of the service of an employee in respect of which he makes contributions under the provisions of this Act;

(*c*) "employee" means any person employed seasonally or continuously by the Government or the Legislative Assembly and who is not eligible to make contributions pursuant to *The Public Service Pension Act;*

(*d*) "prior service" means any period or periods during which a person was an employee before becoming a contributor under this Act and includes service in the active forces of Her Majesty or any of Her Majesty's allies during the war of 1939-1945 in the case of a person who was an employee at the time of his enlistment;

(*e*) "salary" means the gross rate of an employee's ordinary salary or wages including cost-of-living bonus and holiday pay but does not include moneys paid for travelling expenses, subsistence, overtime work or any other moneys paid in addition to his ordinary salary.

3. This Act shall be administered by the Public Service Pension Board.

4. The board has the same powers under this Act as it has under the provisions of section 18 of *The Public Service Pension Act.*

5. Provides for contributions by temporary employees.

6. Authorizes deductions from salary of temporary employee and provides for a contribution to the fund by the government not exceeding five per cent of the employee's salary.

7. 3% interest to be paid on the account of the temporary employee.

8. Enables an employee to make contributions in respect of service prior to the operation of this plan, if he should so desire. "Prior service" includes war service in World War II for the purpose of contributions.

5. (1) Any employee who was less than sixty years of age when he became an employee may make contributions to the General Revenue Fund at a rate which shall be not less than three per cent nor greater than ten per cent of his salary.

(2) An employee who makes contributions shall continue to do so until he ceases to be an employee or attains the age of sixty-five years, whichever occurs first.

(3) An employee who makes contributions may at any time increase the rate of his contributions if the increased rate does not exceed ten per cent of his salary.

(4) An employee who makes contributions may not reduce the rate at which his contributions are being made unless the reduction is authorized by the board.

6. (1) The contributions made by an employee shall be deducted from each payment of his salary by the Provincial Treasurer, who shall credit the same to the General Revenue Fund, and the board shall keep a separate account of the contributions so credited in respect of each employee.

(2) As each contribution by an employee is credited to the General Revenue Fund, the Provincial Treasurer shall also credit to the Fund an amount, to be known as a government contribution, which shall be

(*a*) equal to the contribution by the employee if the same does not exceed five per cent of his salary, or

(*b*) at the rate of five per cent of the salary of the employee if the rate of contribution by the employee exceeds five per cent of his salary.

(3) The government contributions made in respect of each employee shall be credited to his account by the Board.

7. (1) 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 board to the account of each employee on the last days of June and December in each year, and shall be computed on the amounts standing to the credit of each account on the next preceding first days of January and July respectively.

(2) Such interest shall continue to be so credited to the account of each employee until the date of termination of his service.

8. (1) When an employee becomes a contributor or at any time thereafter, he may make contributions at a rate of three, four or five per cent of his salary in respect of his prior service, if he also pays into the General Revenue Fund an amount equal to the interest that would have been credited to his account in respect of such contributions had the same been made and an account in respect of him been kept during the periods of his prior service.

9. Provides for compulsory retirement at age 65, except where services are continued with the approval of the department head, and permits an employee to retire after age 60 if he should so desire. An employee may be retired at any time if he becomes physically unable to carry out his duties.

10. Establishes the payment of

(*a*) a retiring gratuity, or

(*b*) an annuity, upon the retirement of a contributing temporary employee.

(2) Contributions by an employee and interest thereon in respect of prior service shall be paid in such manner and on such terms as the board may direct.

(3) When each payment by an employee representing contributions or interest in respect of prior service is credited to the General Revenue Fund, an equal amount representing government contributions or interest in respect of such prior service shall be credited to the fund by the Provincial Treasurer.

(4) The amounts so credited in respect of the prior service of an employee shall be entered by the board to the credit of his account and interest thereon shall thereafter be credited to his account as provided by section 7.

9. (1) Except as is otherwise provided by this Act, an employee shall retire from the service of the government upon attaining the age of sixty-five years.

(2) If the head of the department so approves, an employee may continue to be employed after he has attained the age of sixty-five years, but he is not entitled to receive any benefits under this Act before the date of final termination of his service or in respect of any service rendered after he has attained the age of sixty-five years.

(3) An employee may retire at any time after he has attained the age of sixty years.

(4) An employee who, from physical or other causes, has become incapable of satisfactorily executing his duties may be retired at the discretion of the head of the department.

10. (1) Upon his retirement, a person who has been an employee for a period or periods of not less than five years is entitled to receive

- (*a*) in respect of any periods of prior service for which contributions have not been made, a retiring gratuity, payable in a lump sum, in the amount of fifty dollars for each twelve months of such prior service, computed to the nearest complete month thereof, and in respect of his contributory service, a lump sum payment of the amount then standing to the credit of his account, or
- (*b*) at his option in lieu of the said payments an annuity that is purchasable at such rates as may be fixed by the board by the sum of the two aforesaid amounts.

(2) If an employee, upon his retirement, elects to receive an annuity, the same may be, at his option,

- (*a*) a life annuity,
- (*b*) an annuity payable for his life or for a term of years certain, whichever is the longer,
- (*c*) an annuity that is payable during the joint lives of the employee and a nominee designated by him and that, after the death of either, is payable to the survivor for his life in the same amount or in an

11. Requires that employee be notified prior to his retirement of the benefits obtainable, and if no choice made, he will receive the lump sum gratuity payment.

12. Authorizes payment out of General Revenue Fund of all gratuities and purchases of annuities.

13. Makes provision for the contributing employee who is dismissed or who resigns.

14. Section 14 of The Public Service Pension Act reads:

"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."

15. Provides for payment only of contributions and accrued interest to certain beneficiaries of employee; and of the lump sum gratuity payment or equivalent annuity to a beneficiary who is the widow, or dependent child under 18, of the employee, or to the employee if he becomes physically incapacitated and is retired.

amount of one-half or such other greater fraction thereof as the employee at the time of his retirement may specify, or

(*d*) such other form of annuity or payment as is consistent in principle with the other provisions of this section and as the board may deem best suited to the circumstances of the case.

11. (1) The secretary of the board shall, not less than ninety days before an employee attains the age of sixty-five years, notify him in writing as to the benefits that he may receive upon retirement.

(2) If an employee after being so notified fails, before attaining the age of sixty-five years, to exercise his choice of the form of annuity or payment to be received by him, he shall upon retirement receive a lump sum payment as provided by clause (*a*) of subsection (1) of section 10.

12. All payments authorized by this Act shall be paid out of the General Revenue Fund by the Provincial Treasurer upon certificate of the board.

13. When an employee resigns or is dismissed and is not qualified under the provisions of sections 9 and 10 to receive any of the benefits provided by section 10, he shall be paid the amount of the contributions, if any, made by him under sections 5 and 8, together with the accrued interest thereon, and the government contributions, together with the accrued interest thereon, credited to his account, shall be paid to the Provincial Treasurer.

14. An employee may nominate a beneficiary and the board shall deal with all such nominations in the manner provided in section 14 of *The Public Service Pension Act*.

15. (1) If an employee dies while in the service of the government and his beneficiary is not his widow or dependent child or children under the age of eighteen years, the amount of his contributions together with the accrued interest thereon shall be paid to his beneficiary.

(2) If an employee who becomes physically or mentally disabled is retired, or if the beneficiary of a deceased employee is his widow or his dependent child or children under the age of eighteen years, the employee or beneficiary is entitled to receive

(*a*) a lump sum payment in the amount jointly prescribed in clause (*a*) of subsection (1) of section 10, or

16. Requires that a birth certificate or other acceptable proof of age be given to the board.

17. An employee's interest in the General Revenue Fund or in an annuity or other benefit is not liable to attachment for debt, except in the case of misappropriation of public moneys.

18. Government guarantees payment of annuities and other benefits under this Act.

19. Permits board to prescribe forms, direct keeping of records, and to make necessary regulations which are to be published in The Alberta Gazette and thereafter to have the force of law.

20. Requires an annual report to the Executive Council by the board and an annual statement of employees' accounts.

21. To come into force by Proclamation.

(*b*) such equivalent annuity or payment by instalments as, in the discretion of the board, may be deemed in the circumstances of the case to be most advantageous to the employee or beneficiary.

16. Notwithstanding the other provisions of this Act, an employee is not entitled to receive any annuity or payment, other than a refund of his contributions without interest, unless he has delivered to the secretary of the board his birth certificate or such other proof of his age as is acceptable to the board.

17. The interest under this Act of any employee in the General Revenue Fund or in any annuity or other benefit provided by this Act is not subject to garnishee proceedings, attachment, seizure or any legal process, except in respect of a charge of failure to account for public moneys, and is unassignable.

18. The payment of the annuities and other benefits provided by this Act is guaranteed by the government.

19. (1) Subject to *The Treasury Department Act* and to the approval of the Lieutenant Governor in Council, the board may,

(*a*) from time to time prescribe forms for its use in connection with the administration of this Act,

(*b*) from time to time direct the keeping of such accounts and records as are necessary for the proper administration of this Act, and

(*c*) make regulations consistent with the provisions of this Act as to the payment of benefits, the rate of interest to be credited on contributions, the application of the provisions of this Act in cases or circumstances not expressly provided for herein, and as to any other matter or thing convenient or useful in carrying out the provisions and general intent of this Act.

(2) A regulation made by the board, upon being published in *The Alberta Gazette*, has the same force as if incorporated herein.

20. The board shall prepare annually and submit to the Lieutenant Governor in Council on or before the fifteenth day of January in each year a report of the proceedings of the board with respect to the administration of this Act during the last preceding fiscal year and a statement showing the amount standing to the credit of each employee's account on the first day of the next preceding month of July and the contributions and payments made and the amount of interest credited under the provisions of this Act during the last preceding fiscal year.

21. This Act comes into force on a day to be fixed by proclamation of the Lieutenant Governor in Council.

No. 2

SECOND SESSION

THIRTEENTH LEGISLATURE

4 ELIZABETH II

1956

BILL

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Received and read the

First time.......................................

Second time.......................................

Third time.......................................

HON. MR. HOOKE