

No. 3

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BILL 3

A Bill respecting the Superannuation of Certain Employees
of School Divisions and Counties

HON. MR. AALBORG

EDMONTON, ALBERTA
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Explanatory Note

1. This Bill enacts a new Act to be called "The School Secretaries' Superannuation Act" and will set up the machinery for a superannuation plan for secretary-treasurers of school divisions, certain designated personnel and the secretary-treasurers of the Alberta School Trustees' Association. The present superannuation plans relating to schools apply to teachers and this Act will provide for the aforesaid officials who are not teachers and thus not under any such plan.

2. Defining terms used in the Bill.

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No. 3 of 1956

An Act respecting the Superannuation of Certain Employees
of School Divisions and Counties

(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 School Secretaries'
Superannuation Act*".

2. (1) In this Act,

- (a) "board" means the School Secretaries' Superannuation Board constituted by this Act;
- (b) "board of trustees" means the board of trustees of a school division, and includes the council and school committee of a county;
- (c) "Department" means the Department of Education;
- (d) "employee" means
 - (i) the secretary-treasurer of a school division,
 - (ii) any other person designated by the employer by whom he is employed, and
 - (iii) the secretary-treasurer of The Alberta School Trustees' Association;
- (e) "employer" means the board of trustees of every school division in Alberta, and the Alberta School Trustees' Association;
- (f) "fund" means the superannuation fund established under this Act;
- (g) "Minister" means the Minister of Education;
- (h) "school division" has the same meaning as in *The School Act, 1952*.

(2) Subject to the approval of the Lieutenant Governor in Council, the board may declare a school district, as defined by *The School Act, 1952*, to be a school division for the purposes of this Act, and thereupon a full-time employee of that school district shall be deemed to be an employee for the purposes of this Act.

3. Administration of Act to be in a board here established and provided for.

4. Makes provision for salary deductions and compulsory employee contribution to the superannuation fund, in the amount of 5% of gross salary, as well as a compulsory contribution by the employing board of school trustees, and the Association in an equal amount. In addition, an employee may make a further limited voluntary contribution based upon a percentage of his salary as shown in Schedule A to this Bill.

3. (1) This Act shall be administered by a board which shall be known as The School Secretaries' Superannuation Board.

(2) The Board shall consist of

(a) a representative of the Government of Alberta,

(b) a representative of and designated by the Alberta School Trustees' Association who shall be the chairman thereof, and

(c) a representative of and designated by the Alberta School Secretaries' Association, who is himself an employee contributing to the fund.

(3) The members of the board shall be confirmed in their offices by order of the Lieutenant Governor in Council.

(4) Each member shall serve for a term of three years except that at the first appointment of members one shall serve for one year, one for two years, and one for three years, the determination thereof to be by the Lieutenant Governor in Council.

(5) If a vacancy occurs on the board for any reason, the Lieutenant Governor in Council may appoint a successor to serve thereon for the unexpired term.

(6) The board shall meet at least twice in each year, during the months of January and July, and otherwise at the request, in writing, of any member of the board.

(7) Members of the board shall serve without remuneration but are entitled to receive from the fund travelling expenses, sustenance and accommodation while attending meetings of the board at such rates as may be determined by the board and approved by the Lieutenant Governor in Council.

(8) The Department shall provide an office and all necessary equipment and supplies for the administration of this Act, and the cost thereof shall be a charge on the General Revenue Fund.

(9) An employee of the Department shall be appointed by the Minister to be secretary and administrative officer of the fund, and he shall be responsible for all records, attend to correspondence relating thereto, and have charge over the fund and any business related thereto.

(10) The secretary and administrative officer of the fund shall receive only such salary as is assigned to him by the Lieutenant Governor in Council and voted by the Legislative Assembly.

4. (1) Every employer shall deduct monthly five per cent of the gross salary or wages due to each of its employees and shall remit to the board on or before the third day of January, April, July and October in each year the amounts so deducted during the previous period.

(2) Each employer shall pay to the board, on the dates mentioned in subsection (1), an additional sum equal to the

5. Permits an employer to make an additional contribution on behalf of an employee employed before the date this Bill becomes effective.

6. Makes provision for the establishment and operation of the superannuation fund and its investment.

total amount deducted by the employer under that subsection, and no part of such additional sum shall be deducted from the salary or wages of an employee.

(3) An employee may make further contributions to the fund in excess of the deductions from his salary or wages required by subsection (1), if the total of such excess contributions is not greater than the percentage of his salary shown in Schedule A to this Act.

(4) Upon the request of an employee such excess contributions shall be made by the employer on behalf of the employee, and, when so made, may be deducted from the employee's salary or wages in the same manner as provided in subsection (1).

5. (1) An employer may, with respect to an employee who was employed by the employer prior to the coming into effect of this Act, make an additional contribution to the fund on behalf of such employee.

(2) The additional contribution may be made in one sum or by instalments in such manner as may be approved by the board.

(3) Sums so contributed shall be placed to the credit of the employee concerned and are thereupon subject to all the provisions of this Act respecting interest accumulations, refunds and purchase of an annuity, as if they were contributions of the employee, but if a refund is made to an employee whose service is terminated by resignation or dismissal the contributions made under this section, together with interest accumulated thereon, shall be refunded to the employer.

6. (1) There shall be established under the supervision of the board a fund to be known as The School Secretaries' Superannuation Fund, which shall consist of all contributions made thereto, and all interest earned on investments and bank balances.

(2) All moneys received on behalf of the fund shall, as soon as reasonably possible, be deposited.

(3) Refunds to employees and sums required for the purchase of annuities for employees superannuated shall be a charge on the fund and be paid therefrom.

(4) The administrative officer shall, in accordance with such directives as the board may issue thereupon, invest any part of the moneys received in the securities authorized for trustee investment under section 3 of *The Trustee Act*.

(5) The board may, on behalf of an employee on his retirement from service, purchase from the Government of Canada or from any insurance company or the Government of Alberta an annuity in such form as the employee selects and the board approves, and in such amount as can be purchased with the sum to the credit of the employee at the time of his retirement.

7. Requires that an employer furnish certain necessary information to the Superannuation Board.

8. Provides for the accounting of the fund and each employee's interest therein.

9. Establishes the interest of an employee in the fund.

10. Sets out the circumstances when refunds are to be made to an employee or his beneficiary.

7. Every employer shall promptly furnish the board with such information as it may require concerning the age, sex, salary or wages and length of service of an employee, and shall also advise the board of the appointment, death, dismissal or resignation of an employee, together with the date thereof, and any change in salary or wages of an employee, forthwith after the event takes place.

8. (1) The administrative officer of the fund shall keep a record of the equity of each employee in the fund, which shall be separated to show

- (a) the employee's contributions together with interest accumulations thereon, and
- (b) the employer's contributions made in respect of the employee together with interest accumulations thereon.

(2) At the close of each calendar year the net earnings of the fund less any reserve, which may be set aside by the board to provide for possible losses on investments or other contingencies, shall be apportioned to the credit of the account, by way of interest, of each employee in proportion to the average quarterly balances standing to the credit of each employee's account.

(3) If at the close of any year there is a net loss in the position of the fund the deficiency shall be charged *pro rata* to the account of each employee in the same manner as provided in subsection (2).

9. (1) An employee who is about to retire on pension is entitled to the total contributions made by his employer on his behalf, including interest accumulations thereon, and such moneys shall upon his retirement be applied towards the purchase of his annuity.

(2) If an employee, before attaining the age of sixty-five years, terminates his service with an employer and does not request a refund, he is entitled to the employer's contributions including interest accumulations thereon, according to Schedule B to this Act.

(3) The moneys to which the employee is entitled under subsection (2) shall remain in the fund and be applied towards the purchase of an annuity commencing upon attainment of the age of sixty-five years, as if he were then an employee.

(4) When a refund is made to an employee any balance remaining to the credit of his account shall be deemed to be earnings of the fund.

(5) The interest of an employee in the fund is not subject to garnishee proceedings or attachment or seizure, or any legal process except in respect of a failure to account for his employer's money, and is unassignable.

10. (1) If the service of an employee is terminated by resignation or dismissal before attainment of the age of

11. Makes provision for superannuation of employee at age 65, by the purchase of an annuity or in certain cases by a lump sum payment of the amount standing to the employee's credit in the fund, also provides for the retiring employee who has been employed for 25 years or over, and the superannuated employee who continues employment with the employer.

12. Provides for annual audit of board's books and accounts by Provincial Auditor.

13. Relates to disputes concerning the application of this Act and provides that the same are to be finally settled by the board upon notice to employee who shall be heard if he so desires.

sixty-five years, there shall be refunded to him, upon his request and after securing a release from his employer of any claim of the latter, the balance at the credit of the employee's account consisting of the employee's contributions to the fund together with interest thereon.

(2) In case of the death of an employee while in service there shall be paid to his estate or his beneficiaries, as the case may be, after securing a release from his employer of any claim of the latter, the balance at the credit of the employee's account, consisting of his contributions and the interest thereon and the employer's contributions in respect of the employee and the interest thereon.

11. (1) An employee attaining the age of sixty-five years is eligible for superannuation and upon the termination of his employment with his employer the board shall purchase an annuity for him from the moneys standing to his credit in the fund.

(2) The employer shall give notice to the board three months in advance of the termination of the employment of the employee, and the board shall thereupon send to the employee a list of the plans of annuities that may be purchased for him and the employee shall select the plan he desires and notify the board accordingly.

(3) If the employee fails to notify the board within one month of receipt of the advice referred to in subsection (2) the board shall select the annuity to be purchased.

(4) Where an annuity that is purchasable will provide a return to the employee of less than ten dollars a month the board may, in its discretion, purchase the annuity or pay to the employee in one amount or in such instalments as may be selected by the employee the entire sum held to his credit.

(5) The provisions of subsection (1) of section 4 do not apply to any employee who has retired and who has been re-employed by a school division, nor to any secretary-treasurer whose first employment became effective after attaining the age of sixty-five years, but the employer shall make the payments provided in subsection (2) of section 4 in the same manner as though deductions had been made pursuant to subsection (1), and such payments shall be deemed to be earnings of the fund.

12. The books and accounts of the fund, and the investments of the fund shall be audited and scrutinized by the Provincial Auditor once in each calendar year, and a report shall be submitted to the board and to the Minister in respect of the audit and scrutiny.

13. (1) Where any dispute or question arises as to the application of this Act to an employee the same shall be determined by the board upon giving ten days' notice to the employee by registered mail.

14. Requires an annual report respecting retirements of employees to be submitted to the Minister of Education, the Alberta School Trustees' Association and to the Alberta School Secretaries' Association.

15. A general power given to the board to make necessary regulations but subject to Executive Council approval.

16. Creates an offence with regard to refusal or neglect to comply with the requirements here specified.

17. Provides for payment of administration expenses out of fund.

18. Section 4, which authorizes contributions, is made retro-active to the beginning of the present calendar year. The Act is otherwise expressed to come into force upon assent.

- (2) The employee is entitled to be heard before the board.
 (3) The adjudication of the board thereon is final.

14. (1) In each year on or before the first day of March the board shall cause to be prepared a report showing

- (a) the names of all employees who have retired on pension from the service of an employer during the previous year,
 (b) the offices held by such employees and the respective periods of employment,
 (c) the age of each employee at retirement, and
 (d) the cause of retirement.

(2) A copy of the report shall be transmitted to the Minister, to the Alberta School Trustees' Association, and to the Alberta School Secretaries' Association.

15. Subject to the approval of the Lieutenant Governor in Council, the board may make regulations not inconsistent with this Act and necessary to the carrying forward of its provisions and intent.

16. A person required by this Act, or any regulations made hereunder, to furnish any information, to make a return or statement in writing, or to perform any act or duty and who refuses or neglects to do so is guilty of an offence and liable on summary conviction to a fine of not more than fifty dollars.

17. The costs and expenses incurred in carrying out the objects of this Act shall be paid out of the fund except as otherwise provided in this Act.

18. This Act comes into force on the day upon which it is assented to, and upon so coming into force section 4 shall be deemed to have been in force at all times on and after the first day of January, 1956.

SCHEDULE A

(Section 4 (3))

Age of Employee at Date of Commencement of Excess Contributions	Maximum Additional Contributions	
	Male	Female
Over 20 but less than 25.....	0 %	1 %
Over 25 but less than 30.....	1 %	2½ %
Over 30 but less than 35.....	2½ %	4 %
Over 35 but less than 40.....	4 %	6 %
Over 40 but less than 45.....	6 %	10 %
Over 45 but less than 50.....	10 %	15 %
Over 50.....	15 %	15 %

SCHEDULE B

(Section 9 (2))

Years of Continuous Service with an Employer at Date of Termination of Service	Percentage of Employer's Contribution Including Interest
11 years but less than 12 years.....	10%
12 years but less than 13 years.....	20%
13 years but less than 14 years.....	30%
14 years but less than 15 years.....	40%
15 years but less than 16 years.....	50%
16 years but less than 17 years.....	60%
17 years but less than 18 years.....	70%
18 years but less than 19 years.....	80%
19 years but less than 20 years.....	90%
20 years and over.....	100%

SECOND SESSION
THIRTEENTH LEGISLATURE
4 ELIZABETH II
1956

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tion of Certain Employees of School
Divisions and Counties

Received and read the

First time.....

Second time.....

Third time.....

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