

No. 78

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1st Session, 14th Legislature, Alberta  
8 Elizabeth II

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## **BILL 78**

A Bill to Establish a Supplementary Retirement  
Fund for Teachers

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HON. MR. AALBORG

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## **Explanatory Note**

General. This Bill enacts a new Act to establish a fund supplementary to the Teachers' Retirement Fund under The Teachers' Retirement Fund Act. The new fund will permit teachers entering the profession at an age when they are not entitled to pension benefits to contribute a percentage of their salary to the supplementary fund and obtain upon retirement either an annuity or an accumulated lump sum payment. The Province will contribute to the fund an amount equivalent to that given by teachers.

### **2. Definitions.**

# BILL

No. 78 of 1960

## An Act to Establish a Supplementary Retirement Fund for Teachers

(Assented to \_\_\_\_\_, 1960)

**H**ER 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 Teachers' Retirement Supplementary Fund Act*".

2. In this Act,

- (a) "Board" means the Board of Administrators of the Teachers' Retirement Fund under *The Teachers' Retirement Fund Act*;
- (b) "salary" means all compensation including any bonus or other allowance paid to a teacher by the Board, the Alberta Teachers' Association or the board of trustees of a school division or a school district for the discharge of his regular and ordinary duties as teacher and for such other duties regularly performed by him as in the opinion of the Board form a proper part of school activities whether or not such other duties are extra-curricular;
- (c) "supplementary fund" means the Teachers' Retirement Supplementary Fund established pursuant to this Act;
- (d) "teacher" means any person who holds a valid certificate of qualification issued under the regulations of the Minister of Education and who is employed
  - (i) by the board of trustees of a school district or division, constituted under *The School Act*, in the capacity of
    - (A) a teacher, or
    - (B) a librarian devoting his full time to the work of a school,or by the Lloydminster Public School District or the Lloydminster Roman Catholic Separate School District,
  - (ii) as a superintendent, supervisor, principal or other official of a school district or a school division formed or constituted under *The*

**3. Application of Act.**

**4. Supplementary fund.**

**5. Transfer of contributions to supplementary fund.**

**6. Teacher's contribution of salary.**

*School Act* and includes a person employed by the board of trustees of a school district or division constituted under *The School Act* and engaged in a non-teaching capacity, if the holding of a valid certificate of qualification issued under the regulations of the Minister of Education is required by the board of trustees as a condition of the employment and the requirement is approved by the Board,

- (iii) by the Alberta Teachers' Association or by the Board.

**3.** This Act applies only in respect of teachers not being pensioners under *The Teachers' Retirement Fund Act*, who first began their employment as teachers at an age when it is not possible for them to complete fifteen full years of service before attaining the age of sixty-five years, and who make application to participate in the supplementary fund, and are

- (a) actually employed as teachers in school districts or school divisions receiving grants from the Province, or
- (b) acting as full-time employees of the Alberta Teachers' Association or of the Board.

**4.** (1) The Board may establish a Teachers' Retirement Supplementary Fund, which shall be derived from

- (a) amounts contributed by or on behalf of teachers as hereinafter provided,
- (b) interest or other income derived from the supplementary fund,
- (c) amounts transferred from the Teachers' Retirement Fund under *The Teachers' Retirement Fund Act* in respect of persons to whom this Act applies, and
- (d) gifts and legacies.

(2) A separate record of the payments into the supplementary fund made in respect of each teacher shall be kept by the Board.

**5.** (1) All contributions heretofore made to the Teachers' Retirement Fund by teachers to whom this Act applies, together with the interest the contributions have earned while in that fund, shall be transferred to the supplementary fund.

(2) The Board shall keep a separate account of the contributions and interest so transferred in respect of each teacher.

**6.** A teacher shall contribute to the supplementary fund an amount equal to five per cent of his salary as a teacher or such other percentage as the Board by by-law may determine not being less than four per cent nor more than seven per cent.

**7. Deduction of contribution from salary.**

**8. Substitute or temporary teachers.**

**9. Moneys deducted by Alberta Teachers' Association.**

**10. Payment from school grants to supplementary fund.**

7. (1) The board of trustees of each school district and school division in the Province, and of the Lloydminster Public School District and the Lloydminster Roman Catholic Separate School District, shall retain from the salary of each teacher the percentage that the teacher is required to contribute to the supplementary fund in accordance with section 6.

(2) The Alberta Teachers' Association and the Board shall retain from the salary of each teacher employed by the Association or Board, as the case may be, the percentage of salary that the teacher is required to contribute to the supplementary fund in accordance with section 6.

(3) The percentage of salary to be retained shall be deducted from each payment on account of salary made to the teacher, and all moneys so retained shall be deemed

- (a) to have been paid on account of the teacher's salary, and
- (b) to be a contribution to the supplementary fund by the teacher from whom the percentage of salary has been retained.

8. A substitute or temporary teacher as defined in *The School Act* shall not be required to contribute to the supplementary fund except when employed for a total of ten days or more in any month.

9. The Alberta Teachers' Association shall pay to the Board the moneys that the Association has retained under section 7.

10. (1) The Department of Education shall retain semi-annually at the end of each school term

- (a) from the grant payable to each school district and school division under *The School Grants Act* in aid of schools organized and conducted under *The School Act*, and
- (b) from the grants payable to the Lloydminster Public School District and the Lloydminster Roman Catholic Separate School District,

an amount equal to the amount required to be retained by the board of trustees from the salaries of all teachers of each school district and school division during each term.

(2) The Department of Education shall receive the moneys mentioned in subsection (1) and pay the same to the Board for the purposes of the supplementary fund.

(3) All moneys received and paid by the Department of Education under this section shall be deemed to have been paid to and received by the board of trustees on account of the legislative grant to the school district or school division for that term.

**11. Direct payment to Board by trustees.**

**12. Interest.**

**13. Powers of Board.**



**11.** (1) Notwithstanding section 10, the Minister of Education may in writing authorize any board of trustees to pay the moneys retained under section 7 directly to the Board, in which case

- (a) the board of trustees shall pay the moneys retained to the Board at such time as the Board may appoint in writing and shall at the same time furnish the Board with a complete and accurate record, certified as such by the secretary or other proper officer of the school district or division, showing the name of each teacher employed by the board of trustees, the amount of the salary of each teacher and such other information concerning any such salary as the Board requires, and
- (b) section 10 applies only with respect to any amounts that have been retained by a board of trustees and not paid to the Board.

(2) The Board shall on request transmit to the Department of Education all the records received by it pursuant to clause (a) of subsection (1).

**12.** (1) Interest at the rate of three per cent per annum or such other rate as the Board may fix from time to time shall be credited by the Board to the account of each teacher 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 teacher until the date of termination of his service.

**13.** (1) Subject to subsection (2), the Board may

- (a) manage, control, invest and administer the supplementary fund and its distribution and act as and be the trustees thereof,
- (b) receive moneys for the supplementary fund whether by way of contribution, gift, grant, legacy or otherwise,
- (c) regulate the payment out of all moneys belonging to the supplementary fund,
- (d) enter from time to time into any engagement or agreement to bring about or to facilitate
  - (i) the transferring of any benefit to which any teacher is or might be entitled to in the supplementary fund to any other similar fund, and
  - (ii) the transferring to the supplementary fund of the benefits to which any person might be similarly entitled in any other similar fund,
- (e) do all such acts and make all such provisions and regulations as appear right and necessary and concern the proper administration of all the affairs and business of the supplementary fund, and

**14. Audited annual statement.**

**15. Notice of benefits available.**

**16. Payment of benefits.**

(f) for any such purposes pass by-laws, which have the same force and effect as if they were part of this Act.

(2) Moneys to be invested by the Board shall be invested in securities of a kind and in the proportion allowed under the *Canadian and British Insurance Companies Act*.

(3) No regulation or by-law made by the Board has any effect until it has been approved by the Lieutenant Governor in Council and filed and published as required by *The Regulations Act*.

**14.** On or before the thirty-first day of December of each year the Board shall furnish to the Department of Education an audited statement showing the standing of the supplementary fund as at the preceding thirty-first day of August, and containing such other information as the Lieutenant Governor in Council may from time to time require.

**15.** (1) The Board shall, not less than ninety days before a teacher attains the age of sixty-five years, notify him in writing as to the benefits that he may receive upon retirement.

(2) If after being so notified a teacher fails before his retirement 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 subsection (3) of section 16.

**16.** (1) Upon the retirement of a teacher to whom this Act applies who has been a teacher for a period or periods not being less than five years, the teacher is entitled to an annuity, which shall be purchased, at such rate as may be fixed by the Board, by the amount standing to the credit of the teacher's account at the date of his retirement, plus an equal amount to be contributed by the Government of Alberta under subsection (2).

(2) Upon the retirement of a teacher entitled to an annuity under subsection (1), the Board shall notify the Provincial Treasurer, in writing, of the teacher's name and of the amount standing to the credit of his account at the date of his retirement, and the Provincial Treasurer shall pay an equivalent amount to the Board.

(3) Where so requested by a retiring teacher or in the case provided for by section 15, the teacher may receive in lieu of an annuity a lump sum payment of the amount available for the purchase of an annuity under subsection (1).

(4) When a teacher upon retirement elects to receive an annuity, the annuity may, at his option, be

(a) a life annuity,

(b) an annuity payable for his life or for a term of years certain, whichever is the longer,

**17. Provincial guarantee.**

**18. Repayment of contribution.**

**19. Pensionable service.**

**20. University teachers.**

**21. Designation of beneficiary.**

- (c) an annuity that is payable during the joint lives of the teacher 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 amount of one-half or such other greater fraction thereof as the teacher 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.

**17.** The payment of all benefits payable under this Act, the regulations and by-laws of the Board, is guaranteed by the Government of Alberta.

**18.** When a teacher resigns or is dismissed and is not entitled under section 16 to receive an annuity or lump sum payment under that section, the teacher shall be paid only the amount of the contribution paid by him to the supplementary fund together with the accrued interest thereon.

**19.** For the purpose of this Act, the latest retirement age of a teacher shall be age sixty-five and any service beyond that age shall not be pensionable service for the purposes of this Act.

**20.** (1) In this section "university teacher" means a teacher employed by the Governors of the University of Alberta as a full-time member of the academic staff of the University.

(2) Where a teacher who is contributing to the supplementary fund becomes a university teacher, the teacher may elect to continue contributions to the supplementary fund and upon any such election the Governors of the University of Alberta shall retain from the salary of the teacher the amount required to be retained by a board of trustees under section 7, and shall pay over the moneys retained to the Board at such times and in such manner as the Board may direct.

(3) At the same time and in the same manner, the Governors of the University of Alberta shall pay to the Board an amount equal to the contributions of the university teacher for deposit in the supplementary fund.

(4) Upon the retirement of a university teacher entitled to an annuity under subsection (1) of section 16, the Provincial Treasurer shall pay to the Board an amount equivalent to the amount contributed by the teacher to the supplementary fund while not being a university teacher.

**21.** (1) For the purposes of this Act, a teacher may designate any person or persons as his beneficiary by a notice in writing signed by him and one witness and filed with the Board.

**22.** Moneys not assignable.

**23.** Expenses.

**24.** Supplementary powers.

(2) A teacher may change his beneficiary from time to time by a notice in writing signed by him and one witness and filed with the Board.

(3) If a teacher fails to designate a beneficiary or if the beneficiary so designated is dead, the teacher's estate shall be deemed to be his beneficiary.

**22.** (1) Neither the right of any teacher to receive a payment out of the supplementary fund nor any moneys payable to a teacher under this Act or as advances by way of gratuity whether made in periodic payments or otherwise is capable of being assigned, charged or anticipated or given as security nor is such right or money liable to be seized, attached or levied upon, by or under the process of any court.

(2) The right of any teacher to receive a payment out of the supplementary fund and any moneys payable to a teacher under this Act or as an advance by way of gratuity are exempt from the operation of any law relating to bankruptcy or insolvency.

**23.** (1) All moneys required by this Act to be contributed by the Government of Alberta shall be paid out of the Revenue Account established under section 17 of *The Teachers' Retirement Fund Act*.

(2) All other costs and expenses incurred in carrying out the objects of this Act shall be borne by and paid out of the supplementary fund.

**24.** Except so far as may be inconsistent with the provisions of this Act, the Board has in respect of the supplementary fund all the powers and duties conferred or imposed upon the Board by *The Teachers' Retirement Fund Act* in respect of the Teachers' Retirement Fund under that Act.

**25.** This Act comes into force on the day upon which it is assented to.

No. 78

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FIRST SESSION

FOURTEENTH LEGISLATURE

8 ELIZABETH II

1960

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## **BILL**

An Act to Establish a Supplementary  
Retirement Fund for Teachers

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Received and read the

First time.....

Second time.....

Third time.....

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HON. MR. AALBORG

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