

No. 115

4th Session, 14th Legislature, Alberta
10 Elizabeth II

BILL 115

A Bill to Establish a Pension Plan for Employees of
Local Authorities

HON. MR. HOOKE

Explanatory Note

General. This Bill will provide for the establishment of a pension plan for municipal school and hospital employees similar in nature to the plan in effect for provincial civil servants.

2. Definitions.

3. Application of Act.

4. Contributions are to be made by both employers and employees and are to be deposited in the General Revenue Fund.

BILL

No. 115 of 1962

An Act to Establish a Pension Plan for Employees of
Local Authorities

(Assented to _____, 1962)

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 Local Authorities Pension Act*."

2. In this Act,

- (a) "Board" means the Public Service Pension Board established under *The Public Service Pension Act*;
- (b) "local authority" means
 - (i) the council of a county or municipal district,
 - (ii) the board of trustees of a school division or school district,
 - (iii) the board of any hospital that is an approved hospital under *The Alberta Hospitals Act*,
 - (iv) The Alberta School Trustees' Association, and
 - (v) The Associated Hospitals of Alberta.

3. (1) The Board shall, pursuant to this Act and the regulations, administer a retirement pension plan for employees of local authorities.

(2) Any local authority may apply to the Board to bring its employees or any class of its employees under the pension plan and such employees shall be brought under the plan subject to such terms and conditions as the Lieutenant Governor in Council may prescribe.

(3) This Act does not apply to any employee of a local authority who comes under *The Teachers' Retirement Fund Act*.

(4) Any employees who come under *The School Secretaries' Superannuation Act* may, subject to the regulations, be brought under the pension plan under this Act and thereupon *The School Secretaries' Superannuation Act* ceases to apply with respect to such employees.

4. (1) Under the pension plan, contributions shall be made by both the employees and the local authority, but

5. Calculation of amount of normal pension is the same as in The Public Service Pension Act.

6. Rights under the pension plan of an employee who resigns or is discharged are similar to those of provincial civil servants.

- (a) the contribution of each employee under the plan shall be five per cent of whichever is the lesser of
 - (i) his salary or wages, or
 - (ii) a maximum amount prescribed by the regulations,
 and
 - (b) the contributions of the local authority shall be at least equal to the contributions of the employees.
- (2) The contributions of the local authority and of the employees shall be paid to the Provincial Treasurer at the times and in the manner prescribed by the regulations and shall be deposited by him in, and be accounted for as part of the General Revenue Fund.

5. (1) The normal pension payable upon retirement to an employee under the plan shall be an annual amount equal to two per cent of whichever is the lesser of

- (a) his average annual salary or wages, or
- (b) the maximum amount prescribed by the regulations, for the five consecutive years of his pensionable service during which his salary or wages were the highest, multiplied by the total number of years of his pensionable service computed to the nearest complete month thereof, or by thirty-five, whichever number is the less.

(2) All pensions shall be paid out of the General Revenue Fund by the Provincial Treasurer upon certificate of the Board.

6. (1) An employee under the plan who resigns or is discharged from the employment of a local authority is entitled at his option

- (a) to receive the amount contributed by him under the plan and such other amounts as he may be entitled to under the plan, or
- (b) to leave on deposit to his credit in the General Revenue Fund the amount he would be entitled to withdraw.

(2) Where a former employee leaves an amount on deposit pursuant to clause (b) of subsection (1),

- (a) that amount
 - (i) may be withdrawn by the employee at any time on his written request, or
 - (ii) in the event of his death, shall be paid to a beneficiary designated by him, and failing a designation to his estate,
 or
- (b) the employee, if he has not less than ten years' pensionable service and if he so elects, may be paid a deferred pension when he attains the age of sixty years, or
- (c) if the employee is subsequently employed by the same or any other local authority and again comes

7. Reciprocal agreements for the transfer of pension benefits.

8. Power to make regulations for the administration of the pension plan.

under the pension plan, his employment prior to the termination of his employment shall be deemed to be part of his service for the purposes of the plan.

(3) Where a former employee has received the amount referred to in clause (a) of subsection (1) and if he is subsequently employed by the same or any other local authority and again comes under the pension plan, he may, upon such terms as the Board may prescribe, pay to the Provincial Treasurer,

- (a) the total amount of any payment made to him under clause (a) of subsection (1), and
- (b) interest on such amount from the date of his re-employment to the date of completion of such payment in full,

and upon such payment being made in full, his employment prior to the termination of his employment shall be deemed to be part of his service for the purposes of the plan.

7. The Board may, subject to the regulations, enter into reciprocal agreements with any body whose employees are subject to a retirement pension plan or a superannuation plan involving employee contributions to provide when a person moves

- (a) from the employment of such body to the employment of a local authority, or
- (b) from the employment of a local authority to the employment of such body,

for the transfer of any pension or superannuation benefits to which the person is entitled.

8. The Lieutenant Governor in Council may make regulations for the purpose of carrying out the provisions of this Act according to their true intent, or to supply any deficiency therein, and without in any way restricting the generality of the foregoing,

- (a) may prescribe the terms and conditions of the pension plan and under which the employees or any class of employees of a local authority or any type of local authority shall be brought under the plan,
- (b) may define different classes of employees of local authorities and prescribe different conditions for different classes or limit the application of the Act to certain classes,
- (c) may define what constitutes pensionable service of an employee for the purposes of the plan, which may include service prior to the date on which the employee is brought under the plan if contributions in respect of such service are paid into the General Revenue Fund in the amounts and in the manner prescribed by the regulations,
- (d) may prescribe the age at which an employee is

9. Commencement of Act.

entitled to cease making contributions under the plan and the age at which an employee is entitled to receive a pension,

- (e) may prescribe the alternative types of pension payments that may be made under the pension plan,
- (f) prescribe the procedure to be followed by the Board, the Provincial Treasurer and local authorities and their employees in matters arising under this Act,
- (g) declare that any provision of *The Public Service Pension Act* is, with such modifications as he considers necessary, applicable to the pension plan established under this Act and to the persons affected thereby.

9. This Act comes into force on the first day of April, 1962.

No. 115

FOURTH SESSION

FOURTEENTH LEGISLATURE

10 ELIZABETH II

1962

BILL

An Act to Establish a Pension Plan
for Employees of Local Authorities

Received and read the

First time

Second time

Third time

HON. MR. HOOKE
