

No. 118 of 1962

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

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## **BILL 118**

A Bill to amend The Public Service Pension Act

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HON. MR. HOOKE

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## Explanatory Note

### 2. Section 5, clause (a) presently reads:

"5. Subject to the other provisions of this Act, every employee shall make contributions at the rate of five per cent of his salary to the General Revenue Fund to be accounted for as part of the General Revenue Fund, but in no case shall such contributions be made

- (a) if, in the case of a person who becomes an employee after the first day of April, 1947, he has attained the age of fifty-one years prior to the commencement of his service,".

### 3. Section 9, subsection (2) presently reads:

"(2) When there are special reasons therefor, the Lieutenant Governor in Council may upon the recommendation of the Board arrange for the continuation of the service of any employee after he has attained the age of sixty-five years, in which case the employee's retirement shall be effective, for the purposes of section 16, upon the date of the actual termination of his service.".

### 4. Section 11, subsection (1) presently reads:

"11. (1) The Lieutenant Governor in Council may, upon the recommendation of the Board, authorize the retirement of

- (a) any employee who has attained the age of fifty-five years, or
- (b) any employee at any age whose service has been not less than ten years and who from mental or physical disability or other cause has become incapable of effectively performing his regular duties.".

### 5. Section 12 presently reads:

"12. Subject to the approval of the Board, a person receiving a pension under this Act may without forfeiture of pension payments be re-employed for periods not exceeding a total of four months in any twelve-month period.".

# BILL

No. 118 1962 of

An Act to amend The Public Service Pension Act

(Assented to \_\_\_\_\_, 1962)

**H**ER 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 264 of the Revised Statutes, is hereby amended.

**2.** Section 5 is amended by striking out all the words preceding clause (a) and clause (a) and by substituting the following:

**5.** Subject to the other provisions of this Act, every employee shall make contributions at the rate of five per cent of his salary or of sixteen thousand dollars, whichever is the lesser, to the General Revenue Fund to be accounted for as part of the General Revenue Fund, but in no case shall such contributions be made

(a) if, in the case of a person who becomes an employee after the first day of April, 1947, he has attained the age of fifty years prior to the commencement of his employment with the Government or the Legislative Assembly,

**3.** Section 9 is amended by striking out subsection (2) and by substituting the following:

(2) Where the service of an employee continues after he has attained the age of sixty-five years, for the purposes of section 16 the employee's retirement shall be effective upon the date of the actual termination of his service.

**4.** Section 11, subsection (1), clause (b) is amended by adding immediately preceding the word "service" the word "pensionable".

**5.** Section 12 is struck out and the following section is substituted:

**12.** A person receiving a pension under this Act may, without forfeiture of pension payments, be re-employed by the Government or the Legislative Assembly for such period or periods as may be prescribed by the Lieutenant Governor in Council.

**6. Section 14, subsection (1), clause (e) presently reads:**

"14. (1) For the purposes of this Act, pensionable service shall be deemed to include

.....

(e) in the case of a person

(i) who entered the employ of the Government or the Legislative Assembly after the thirty-first day of March, 1947, but who, after having been employed for one year, was not then eligible to become a contributor under this Act, and

(ii) who has since become a contributor under this Act, the period or periods of his employment prior to the date when he became a contributor, except the first year of his employment, if he pays into the General Revenue Fund in such manner and on such terms as the Board may direct an amount equal to the contributions he would have made had he then been a contributor, together with the interest that would have accumulated thereon during such period or periods."

**7. Section 15 is revised to remove the requirement that the Board give its approval in each individual case before an employee may refund contributions.**

**8. Section 15a, subsection (1) presently reads:**

"15a. (1) Notwithstanding any provision of this Act an employee who has been an employee for a total period of not less than nine years and who is making contributions pursuant to section 5 may pay to the Provincial Treasurer in a single sum

(a) an amount equivalent to that which would have been deducted from his salary had such deductions been made under this Act or The Superannuation Act during his first year of employment, and

(b) such interest thereon as the Board by regulation may prescribe."

**9. Section 19, subsection (1) presently reads:**

"19. (1) The normal pension payable to an employee upon his retirement shall be an annual amount equal to two per cent of the average annual salary paid to him during the last five years of his pensionable service, 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."

**6.** Section 14, subsection (1) is amended

(a) by adding the following new clause after clause (d) :

(d1) in the case of a person who was not in the employ of the Government or the Legislative Assembly at the time of his enlistment, any period of service in the British or Allied Forces during World War II

(i) if the date of the commencement of his employment by the Government or the Legislative Assembly was within three months of the date of his discharge from military service, and

(ii) if he pays into the General Revenue Fund, in such manner and on such terms as the Board may direct, an amount equal to ten per cent of the annual salary paid to him by the Government at the commencement of his employment multiplied by the number of years of his military service, computed to the nearest complete month thereof, together with interest on such amount from the date of his enlistment to the date of completion of such payment in full,

and

(b) as to clause (e), subclause (i) by striking out the words and figures "who entered the employ of the Government or the Legislative Assembly after the thirty-first day of March, 1947, but".

**7.** Section 15 is struck out and the following section is substituted :

**15.** Where an employee has resigned or has been dismissed at any time during his service and has thereafter been re-employed by the Government or the Legislative Assembly, his service prior to his resignation or dismissal shall be deemed to be pensionable service if he pays into the General Revenue Fund in such manner and on such terms as the Board may direct any sum paid to the employee under *The Superannuation Act* or this Act at the time of his resignation or dismissal together with interest thereon from the date of his re-employment to the date of completion of such payment in full.

**8.** Section 15a, subsection (1) is amended by striking out the words "an employee who has been an employee for a total period of not less than nine" and by substituting the words "a person who has been employed by the Government or the Legislative Assembly for a total period of not less than ten".

**9.** Section 19 is amended by striking out subsection (1) and by substituting the following :

**10. Section 21 presently reads:**

"21. The secretary of the Board, not less than ninety days before an employee attains the age of sixty-five years, shall notify him in writing as to the normal and alternative pensions from which the employee may make a selection, and if the employee does not select an alternative pension prior to his attaining the age of sixty-five years, he shall upon retirement receive a normal pension under the provisions of section 19."

**11. Section 23a is revised to permit any employee who resigns or is discharged to elect a deferred pension. Section 23a presently reads:**

"23a. (1) Notwithstanding any other provision of this Act, where an employee is discharged from the service of the Government, the Legislative Assembly or the University of Alberta, or from the service of any of the employers referred to in section 34, because of the abolition of the position he was employed in, if he was at the time of his discharge a contributor for a total period of not less than ten years and if he is not eligible upon his discharge to receive a pension pursuant to this Act, the employee so discharged is entitled to receive at his option

- (a) at the time of his discharge the amount standing to his credit in the records of the Board as provided by section 23, together with a like amount from the General Revenue Fund, or
- (b) a deferred pension, as provided in this section, when he attains the age of sixty years.

(2) When such a discharged employee elects to receive a deferred pension under the provisions of subsection (1), the same shall at his option be

- (a) a normal pension in an amount equal to two per cent of the average annual salary paid to him during the last five years of his employment prior to his discharge, multiplied by the total number of years of his contributory service, computed to the nearest complete month thereof, or by thirty-five, whichever number is the less, or
- (b) an alternative pension of any of the types specified in section 20 that is of an actuarial value equivalent to that of the normal pension that he may elect to receive.

(3) A discharged employee who has elected to receive a deferred pension under the provisions of subsection (1) may at any time thereafter, at his written request, receive in lieu thereof the payment specified in clause (a) of subsection (1), in which case his election to receive a deferred pension thereupon becomes null and void.

(4) If a discharged employee is re-employed by any of the employers referred to in subsection (1) and again becomes eligible to make contributions under this Act,

- (a) he shall repay to the Provincial Treasurer upon such terms as the Board may prescribe the total amount of any payment made to him under clause (a) of subsection (1), and upon such repayment being made in full, his employment prior to his discharge shall be deemed to be part of his service within the meaning of this Act, or
- (b) any election made by him to receive a deferred pension becomes null and void, and his employment prior to his discharge shall be deemed to be part of his service within the meaning of this Act."

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

(a) his average annual salary for the five consecutive years of his pensionable service during which his salary was the highest, or

(b) sixteen thousand dollars,

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.

**10.** Section 21 is amended by striking out the words and figures "he shall upon retirement receive a normal pension under the provisions of section 19" and by substituting the words and figures "the Board may, in its discretion, select for him a normal pension or one of the alternative pensions referred to in section 20".

**11.** Section 23a is struck out and the following section is substituted:

**23a.** (1) This section applies to any person who resigns or is discharged from the service of the Government, the Legislative Assembly or the University of Alberta, or from the service of any of the employers referred to in section 34 and who

(a) was at the time of the termination of his service a contributor pursuant to this Act, and

(b) had been a contributor for a period of not less than ten years,

but who was not eligible upon the termination of his services to receive a pension pursuant to this Act.

(2) Where an employee is discharged because of the abolition of the position he was employed in, he is entitled to receive at his option

(a) at the time of his discharge the amount standing to his credit in the records of the Board as provided by section 23, together with a like amount from the General Revenue Fund, or

(b) a deferred pension, as provided in this section, when he attains the age of sixty years.

(3) Where an employee is otherwise discharged or resigns, he is entitled to receive at his option

(a) at the time of his discharge the amount standing to his credit in the records of the Board as provided by section 23, or

(b) a deferred pension, as provided in this section, when he attains the age of sixty years.

(4) Where a former employee elects to receive a deferred pension under this section, the same shall at his option be

**12. Section 25, subsections (3) and (4) presently read:**

"(3) Where a deceased employee's beneficiary is his widow or his dependent child or children under the age of eighteen years, the beneficiary is also entitled to receive a further sum equal to the amount standing to the credit of the employee's account.

(4) Where the service of an employee at the date of his death has not been less than ten years, or in the case of a member of the Executive Council, not less than five years, and where his beneficiary is his widow, his widow may with the approval of the Board be paid, in lieu of the payments under subsection (3), a pension of the same amount as would have been payable if the employee immediately before his death had retired under the provisions of clause (b) of subsection (1) of section 11 and had been entitled to exercise and had exercised the option given under section 20 of receiving a pension during the joint lives of himself and his wife and during the life of the survivor."



- (a) a normal pension as determined under section 19, or
- (b) an alternative pension of any of the types specified in section 20.

(5) A former employee who has elected to receive a deferred pension under this section may at any time thereafter, at his written request, receive in lieu thereof the payment specified in clause (a) of subsection (2) or clause (a) of subsection (3), as the case may be, in which case his election to receive a deferred pension thereupon becomes null and void.

(6) If a former employee is re-employed by any of the employers referred to in subsection (1) and again becomes eligible to make contributions under this Act,

- (a) he may pay to the Provincial Treasurer upon such terms as the Board may prescribe
  - (i) the total amount of any payment made to him under clause (a) of subsection (2) or under section 23, and
  - (ii) 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 service shall be deemed to be part of his pensionable service, or
- (b) any election made by him to receive a deferred pension becomes null and void, and his employment prior to the termination of his service shall be deemed to be part of his pensionable service.

**12. Section 25 is amended**

- (a) as to subsection (3) by striking out the word "eighteen" and by substituting the words "twenty-one",
- (b) by striking out subsection (4) and by substituting the following:

(4) Where the pensionable service of an employee at the date of his death has not been less than ten years, or in the case of a member of the Executive Council not less than five years, and where his beneficiary is his widow, his widow may elect to be paid in lieu of the payments under subsection (3)

- (a) a normal pension pursuant to section 19, or
- (b) a pension of the same amount as would have been payable if the employee immediately before his death had retired under the provisions of clause (b) of subsection (1) of section 11 and had been entitled to exercise and had exercised the option given under section 20 of receiving a pension during the joint lives of himself and his wife and during the life of the survivor.

**13. Section 28 presently reads:**

**“28. The interest that by this Act any employee has in the General Revenue Fund or the interest of an employee in any pension or other benefit granted under this Act**

- (a) is not subject to garnishee proceedings or attachment or seizure, or any legal process, except in respect of a charge of failure to account for public moneys, and
- (b) is unassignable.”.

**14. The scope of section 32 relating to reciprocal agreements is widened. Section 32, subsection (1) presently reads:**

**“32. (1) The Board may enter into reciprocal agreements with any body or corporation**

- (a) that has been established by or is operating on behalf of the Government, and

- (b) the employees of which are subject to a retirement pension plan or superannuation plan involving employee contributions,

**for the purpose of transferring any benefits that a person, who is being transferred from or to the employment of the Government or the Legislative Assembly to or from the employment of the body or corporation, is entitled to, or to which a teacher, who is being transferred from or to the employment of the Government or the Legislative Assembly to or from the employment of an employer within the meaning of The Teachers' Retirement Fund Act, is entitled.”.**

**15. Commencement of Act.**

**13.** Section 28 is amended by renumbering the section as subsection (1) and by adding the following after the renumbered subsection (1):

(2) Nothing in subsection (1) shall be construed so as to prevent an employee

- (a) from authorizing the deduction from his pension payments of premiums for hospitalization or medical insurance, or
- (b) from authorizing the payment of any moneys payable to him under this Act on his resignation or discharge directly over to another retirement pension plan in which the employee becomes entitled to participate after his resignation or discharge.

**14.** Section 32 is amended by striking out subsection (1) and by substituting the following:

**32.** (1) The Board may enter into reciprocal agreements with any government or public body or local authority as defined in *The Local Authorities Pension Act*, whose employees are subject to a retirement pension plan or superannuation plan involving employee contributions, for the purpose of transferring any benefits

- (a) to which a person who transfers from or to the employment of the Government or Legislative Assembly to or from the employment of such government or public body or local authority, is entitled, or
- (b) to which a teacher who transfers from or to the employment of the Government or the Legislative Assembly to or from the employment of an employer within the meaning of *The Teachers' Retirement Fund Act*, is entitled,

and, subject to the approval of the Lieutenant Governor in Council, such an agreement may be made retroactive in effect.

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

No. 118

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FOURTH SESSION  
FOURTEENTH LEGISLATURE  
10 ELIZABETH II  
1962

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**BILL**

An Act to amend The Public Service  
Pension Act

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Received and read the

First time .....

Second time .....

Third time .....

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HON. MR. HOOKE

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