

No. 145

1st Session, 15th Legislature, Alberta
12 Elizabeth II

BILL 145

A Bill to amend The Public Service Pension Act

HON. MR. HOOKE

Explanatory Note

1. This Bill amends The Public Service Pension Act which is chapter 264 of the Revised Statutes.

2. (a) Section 2, clause (c) presently reads:

“(c) “employee” means

(i) any person employed on a full time continuous basis by the Government or the Legislative Assembly, and

(ii) any member of any class of Government employees employed each year on a seasonal basis and included in the operation of this Act by order of the Lieutenant Governor in Council,

who has been employed by the Government or the Legislative Assembly for a period or periods totalling one year, and is either eligible to make contributions pursuant to this Act or is a person for whom an account is maintained by the Board;”.

(b) Section 2, clause (f) presently reads:

“(f) “service” means any period or periods during which a person is or has been employed by the Government or the Legislative Assembly after having been so employed for a period or periods totalling one year;”.

3. Section 4 presently reads:

“4. Subject to The Public Service Act, the Lieutenant Governor in Council may appoint a secretary of the Board and such clerks or other assistants necessary for the administration of this Act.”.

4. A new heading is added because of the addition of new Parts by this Bill.

BILL

No. 145 of 1964

An Act to amend The Public Service Pension Act

(Assented to _____, 1964)

HER 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* is hereby amended.

2. Section 2 is amended

(a) as to clause (c) by striking out the words "who has been employed by the Government or the Legislative Assembly" and by substituting the words "who has been employed",

(b) by striking out clause (f) and by substituting the following:

(f) "service" means any period or periods during which a person is or has been employed by the Government or the Legislative Assembly or by any public body or local authority who is a party to a reciprocal agreement pursuant to section 32 and includes any period of

(i) service in the British or Allied Armed Forces during World War II or the Korean War, and

(ii) authorized leave of absence with or without pay subject to the conditions prescribed by the Board;

3. Section 4 is amended by striking out the words "a secretary" and by substituting the words "an executive secretary".

4. The following headings are added after section 4:

PART I

PUBLIC SERVICE PENSIONS

5. Section 5 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 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 employment with the Government or the Legislative Assembly,
- (b) after the employee has attained the age of sixty-five years,
- (c) after the employee has made contributions pursuant to this Act and has had statutory deductions made from his salary under the provisions of The Superannuation Act for a total period of thirty-five years, pursuant to either or both of those Acts, or
- (d) by any married woman unless she is legally separated from her husband or unless she proves to the satisfaction of the Board that her husband is dependent upon her for support."

6. Section 7, subsection (1) provides for 3% interest on employee contributions. Subsection (2) presently reads:

"(2) In respect of every account such interest shall continue to be so credited until the end of the calendar month immediately preceding the date of termination of the employee's service."

7. Section 11, subsection (2) presently reads:

"(2) In order to determine whether an employee is incapable of effectively performing his regular duties by reason of mental or physical disability or by reason of any other cause, the Board may require the employee to be examined by the Workmen's Compensation Board which shall submit a report as to the employee's incapacity."

8. Section 13 presently reads:

"13. (1) The Board may review the case of any person receiving a pension under clause (b) of subsection (1) of section 11 and if, in the opinion of the Board, that person has recovered sufficiently to perform his former or other duties, the Board shall report the case to the Lieutenant Governor in Council who may direct that he be offered re-employment.

(2) When a person is offered re-employment under this section his pension ceases regardless of whether he accepts or refuses the offer.

(3) Where a person does not accept the offer of re-employment under this section and the amount of the allowances paid to him is less than his contributions and interest credited thereon, the amount of the difference shall be paid to him in the manner prescribed by the Board and he has no further claim under this Act.

(4) An employee who accepts re-employment pursuant to this section shall make the contributions required by this Act to be made and upon retirement is entitled to have all his periods of service counted as pensionable service.

(5) When a person who accepts re-employment dies while in the service of the Government, the amount he has been paid while in receipt of a pension shall be deducted from the amount payable pursuant to section 25."

5. Section 5 is struck out and the following is substituted:

5. (1) 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.

(2) The contributions of an employee under subsection (1) shall not exceed five per cent of an annual salary of sixteen thousand dollars.

(3) No contributions may be made under subsection (1)

(a) by an employee who has attained the age of fifty-five years prior to the commencement of his service, or

(b) after the employee has attained the age of sixty-five years, or

(c) after the employee has made contributions for a total period of thirty-five years, or

(d) by a married woman unless she applies to do so within the period designated by the Board.

6. Section 7 is amended by striking out subsection (2) and by substituting the following:

(2) The interest shall continue to be credited to an employee's account until the end of the calendar month immediately preceding

(a) the date when payment is made in full to the employee pursuant to section 23, or

(b) the date the employee becomes entitled to deferred pension payments pursuant to section 23a.

7. Section 11, subsection (2) is amended by striking out the words "the Workmen's Compensation Board which" and by substituting the words "a medical officer of the Workmen's Compensation Board who".

8. Section 13 is struck out and the following is substituted:

13. (1) Where a person has retired on a pension under this Act before the retirement age of sixty-five and is re-employed by the Government or the Legislative Assembly, the payment of any pension received by him pursuant to section 16, in respect of his prior service, shall be suspended until he again ceases to be employed.

(2) Notwithstanding any other provision of this Act, a person who accepts re-employment as specified in subsection (1) shall make contributions as required by section 5 in respect of his further service and upon retirement is entitled to receive an additional pension in an amount calculated on the basis of his subsequent period of service.

9. Section 14, subsection (1), clause (c) and subsection (3) presently read:

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

.....
(c) in the case of a person whose employment with the Government or the Legislative Assembly commenced before the first day of April, 1947, one-half of any service not included under clause (a) or (b), but if that person pays into the General Revenue Fund, in such manner and upon such terms as the Board may direct,

(i) a sum equal to the contributions that he would have made in respect of any period or periods of his full time continuous service had he been subject to The Superannuation Act or this Act, and

(ii) the interest that would have accumulated in respect of that sum during such period or periods, the whole of such period or periods of full time continuous service shall be deemed to be pensionable service,

.....
(3) Notwithstanding subsection (1), pensionable service shall not include more than thirty-five years of service."

(3) When a person who accepts re-employment elects to pay back the amount he had been paid while in receipt of a pension, then his service prior to re-employment and his subsequent service shall be taken into account in calculating his pension upon retirement.

9. Section 14 is amended

(a) as to subsection (1)

(i) by striking out of clause (c) the words "full time continuous" wherever they occur,

(ii) by adding the following clauses after clause (e):

(f) any period of service that may be recognized as pensionable service under the terms of a reciprocal agreement made pursuant to section 32,

(g) any period of service with any public body or local authority who is a party to a reciprocal agreement pursuant to section 32, in the case of a person who is not eligible to come under such agreement,

(i) if the period between the employment with such body or local authority and the employment with the Government or the Legislative Assembly was not greater than six months, except in a case where circumstances in the opinion of the Board warrant an extension of such period, and

(ii) if he pays 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 or the Legislative Assembly at the commencement of his employment, calculated as if such salary were actually paid to him during his service with such body or local authority together with interest on such amount from the date of the commencement of contributions on his prior service to the date of completion of such payment in full,

and

(h) any period or periods of authorized leave of absence without pay approved by the Board.

(b) as to subsection (3) by adding after the words "more than" the words "the last".

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

"15a. (1) Notwithstanding any provision of this Act a person who has been employed by the Government or the Legislative Assembly for a total period of not less than ten 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."

11. Section 17 which provides for a pension for persons retired on account of disability or illness is amended.

12. A reference to the secretary of the Board is changed.

13. Section 23 is amended because an employee has a choice of leaving his contributions for a deferred pension.

14. Section 23a which provides for a deferred pension for persons who cease to be employed before retirement age is amended to add a new subsection.

15. A reference to the secretary of the Board is changed.

10. Section 15a, subsection (1) is amended by striking out the words preceding clause (a) and by substituting the following:

15a. (1) Notwithstanding any provision of this Act, a person who has a total period of not less than ten years' service and who is making contributions pursuant to section 5 may pay to the Provincial Treasurer

11. Section 17 is amended by adding the following subsection:

(3) Where a person has been granted a total disability pension in an amount determined under section 19 or at his option an alternative pension of one of the types specified in section 20, the Board may from time to time require the person to submit medical evidence of his continuing total disability, and if at any time prior to his attaining the age of sixty-five years the Board finds that he is no longer wholly incapable of gainful employment, his pension may be actuarially reduced as provided by subsection (1).

12. Section 21 is amended by adding before the word "secretary" the word "executive".

13. Section 23 is amended by adding after the words "is dismissed," the words "and if he elects to receive a return of his contributions,".

14. Section 23a is amended

(a) by adding the following subsection after subsection (4):

(4a) Where a person has less than twenty-five years of service, the deferred pension to be paid shall be in an amount that is the actuarial equivalent at the person's age when he receives a deferred pension of the normal pension that would have been payable to the person were his age then sixty-five as determined by actuarial tables approved by the Board for the purpose.

(b) as to subsection (6), clause (a), subclause (i) by striking out the words "under clause (a) of subsection (2) or".

15. Section 24 is amended by adding before the word "secretary" wherever it occurs the word "executive".

16. Section 25, subsections (1) and (4) presently read:

"25. (1) Where an employee dies while in the service of the Government or the Legislative Assembly, the amount standing to the credit of his account in the records of the Board shall be paid to his beneficiary.

(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."

17. A reference to the secretary of the Board is changed.

18. Section 28, subsection (1) presently reads:

"28. (1) 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."

19. Section 32, subsection (1) presently reads:

"32. (1) The Board may enter into reciprocal agreements with any government or public body or local authority as defined by 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."

20. Section 33, subsection (1) presently reads:

"33. (1) In this section "university employees" means persons employed by the Governors of the University of Alberta otherwise than temporarily".

21. Part II, a new Part, is added setting up a pension scheme for members of the Legislative Assembly. The sections being repealed apply only to members of the Executive Council.

Part III. A new Part is added dealing with annuities for employees who are not eligible under Part I. The Part is similar to and replaces The Temporary Provincial Employees Retirement Act.

16. Section 25 is amended

- (a) as to subsection (1) by adding after the words "Legislative Assembly," the words "or if he had elected to receive a deferred pension and had left on deposit in the General Revenue Fund the amount he would be entitled to withdraw,"
- (b) as to subsection (4)
 - (i) by striking out the words "or in the case of a member of the Executive Council not less than five years,"
 - (ii) by adding the word "or" at the end of clause (b) and by adding the following clause after clause (b):
 - (c) a pension payable for life or for a term of years certain, whichever is the longer, that is an actuarial value equivalent to that of the pension provided for under clause (b).

17. Section 26, subsection (1) and section 31, subsection (1), clause (a) are amended by adding before the word "secretary" the word "executive".

18. Section 28, subsection (1) is amended by adding after the word "employee" wherever it occurs the words "or former employee".

19. Section 32, subsection (1) is amended by adding after the words "employee contributions," the words "and with any person who administers the pension plan on its behalf,".

20. Section 33, subsection (1) is amended by striking out the words "otherwise than temporarily" and by substituting the words "on a full time continuous basis".

21. The heading "Members of the Executive Council" and sections 36 to 43 are struck out and the following headings and sections are substituted:

PART II

MEMBERS OF THE LEGISLATIVE ASSEMBLY

36. (1) Subject to the modifications and exceptions set

out in this Part, the pension provisions of this Act apply *mutatis mutandis* to

- (a) persons who were members of the Legislative Assembly on the first day of March, 1963, and
- (b) persons who became members of the Legislative Assembly after the first day of March, 1963.

(2) In this Part "service" means service as a member of the Legislative Assembly, including any service as a member of the Executive Council or as the Speaker or the Deputy Speaker or the Leader of Her Majesty's loyal opposition of the Legislative Assembly.

37. (1) Each member of the Legislative Assembly may contribute to the General Revenue Fund at the rate of five per cent of

- (a) the sessional indemnity allowance payable to him under subsection (1) of section 52 of *The Legislative Assembly Act*, or
- (b) in the case of the Speaker or the Deputy Speaker of the Assembly, the sessional indemnity allowance payable under section 35 of *The Legislative Assembly Act*, or
- (c) in the case of the recognized leader of Her Majesty's loyal opposition or a member sitting in opposition, the sessional indemnity allowance payable under subsection (1) of section 52 of *The Legislative Assembly Act* and also the allowance paid to him under subsection (6) of section 52 of that Act, or
- (d) in the case of a member of the Executive Council, the sessional indemnity payable to him under subsection (1) of section 52 of *The Legislative Assembly Act* and also the annual compensation payable to him under subsection (5) of section 52 of that Act, except that the total amount of the contributions made by a member of the Executive Council shall not exceed eight hundred dollars a year.

(2) Notwithstanding subsection (1), a member of the Executive Council may elect to make contributions only in respect of the annual compensation paid to him under subsection (5) of section 52 of *The Legislative Assembly Act*, without contributions in respect of the sessional indemnity allowance paid to him during his term of office as a member of the Executive Council.

(3) The contributions shall be made at such times and in such manner as the Lieutenant Governor in Council may determine and upon payment into the General Revenue Fund, shall be accounted for as part of the General Revenue Fund.

(4) A member of the Legislative Assembly who was a

member on the first day of March, 1963, may pay into the General Revenue Fund, in such manner and upon such terms as the Board may direct, an amount equal to the contributions that could have been made by him in respect of all his service before that date had this Act been applicable to members of the Legislative Assembly during the period of that service, together with the interest that would have been accumulated thereon during that period.

(5) No contributions shall be made by a member of the Legislative Assembly after he has contributed in respect of a total period of thirty-five years.

38. The Board shall keep a separate account of the contributions made by each member of the Legislative Assembly and shall credit interest to the account of each member at the rate and in the manner prescribed in section 7.

39. (1) The pensionable service of a member of the Legislative Assembly shall be any term or terms of his service for which he has made contributions under section 37 or section 43, but shall not exceed thirty-five years.

(2) For the purpose of calculating pensions as provided by section 19, the annual salary of a member of the Legislative Assembly shall be

- (a) the amount of his contributions in respect of any year, multiplied by twenty, or
- (b) for any year after he has ceased to contribute as provided by subsection (5) of section 37, the amount of his sessional indemnity allowance and other allowances, if any, or, if he is a member of the Executive Council,
 - (i) the amount of his sessional indemnity allowance and his annual compensation, if he has contributed as provided by clause (d) of subsection (1) of section 37, or
 - (ii) his annual compensation only, if he has contributed as provided by subsection (2) of section 37.

40. After a total period of service of at least ten years, whether continuous or not, a person who ceases to be a member of the Legislative Assembly is then entitled to receive

- (a) if his age is then sixty-five years, a normal pension as prescribed by section 19, or, at his option, an alternative pension as prescribed by section 20, or
- (b) if his age is then more or less than sixty-five years a pension that is the actuarial equivalent at his age on ceasing to be a member of the Legislative Assembly of the pension that would be payable to him

under clause (a) were his age then sixty-five years, as determined by the actuarial tables that are approved by the Board for that purpose.

41. (1) After a total period of service of five years or more but less than ten years, a person who ceases to be a member of the Legislative Assembly shall be paid the amount standing to his credit in the General Revenue Fund, including the accrued interest credited on his contributions under section 38.

(2) After a total period of service of less than five years, a person who ceases to be a member of the Legislative Assembly shall be paid the total amount of the contributions he has made under this Act, without interest thereon.

42. If a member of the Legislative Assembly dies while he is a member, section 25 applies *mutatis mutandis*.

43. (1) If a person has formerly been a member of the Legislative Assembly and after a lapse of time again becomes a member,

- (a) the payment of any pension theretofore received by him pursuant to section 40 in respect of his prior service shall be suspended until he again ceases to be a member, at which time, if he has made contributions pursuant to section 37 in respect of his further service, he shall be entitled to receive an additional pension in an amount calculated on the basis of his subsequent period of service, or
- (b) he may pay into the General Revenue Fund in such manner and on such terms as the Board may direct
 - (i) any sum that was paid to him pursuant to section 41 upon the termination of his prior service, together with interest on that sum or on any unrepaid part thereof at the rate prescribed by section 7 from the date when he again became a member to the date of completion of the payment in full, or
 - (ii) an amount equal to the contributions that he could have made during his prior service had this Act been then applicable to him, together with the interest that would have accumulated thereon during that prior service.

(2) Upon payment in full by a member of the Legislative Assembly of the amount specified in subclause (i) or (ii) of clause (b) of subsection (1), his prior service shall be recognized as pensionable service.

PART III

SHORT SERVICE RETIREMENT BENEFITS

44. In this Part,

- (a) "employee" means a person employed seasonally or on a full time continuous basis by the Government or the Legislative Assembly and who is not eligible to make contributions pursuant to Part I;
- (b) "salary" means the actual salary or wages paid to an employee, including cost-of-living bonus and holiday pay but does not include moneys paid for travelling expenses, subsistence allowances, honorariums, fees, overtime pay or any other moneys paid in addition to his ordinary salary or wages.

Contributions

45. (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 may, at any time and upon a notice in writing to the executive secretary of the board, increase or decrease his rate of contributions if the rate does not exceed ten per cent of his salary or is not less than three per cent of his salary.

46. (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 that 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) An employee may make contributions from the date of the commencement of his service but no contributions shall be made after an employee has attained the age of sixty-five years.

Prior Service

47. (1) When an employee becomes a contributor or at any time thereafter, he may make contributions at one of

the rates specified in subsection (1) of section 45, 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 period or periods of his prior service.

(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 respecting contributions and interest in respect of prior service is credited to the General Revenue Fund, an equal amount representing government contributions and 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.

48. When an employee resigns or is dismissed before he is entitled to receive any of the benefits provided under section 50 he shall be paid the amount of contributions made by him, together with interest thereon, and the contributions made in respect of him by employers referred to in sections 33 and 34, together with interest thereon, shall be refunded to such employers.

Retirement

49. (1) An employee is entitled to receive payment of any benefits granted under section 50

- (a) upon the retirement age of sixty-five years, notwithstanding his retention in the service of the Government or the Legislative Assembly, or
- (b) upon retiring at any time after he has attained the age of sixty years, or
- (c) subject to the approval of the Board, upon being retired when, from physical or other causes, he has become incapable of satisfactorily executing his duties.

Benefits

50. (1) Upon retirement, a person who has been an employee and who has contributed for a period or periods of not less than five years is entitled to receive in monthly payments an annuity that is purchasable, at such rates as may be fixed by the Board, by the amount of the employee's and employer's contributions and interest thereon.

22. Chapter 54 of the Statutes of Alberta, 1956, is repealed.

23. Commencement of Act.

(2) If a retiring employee so requests, he may receive in lieu of an annuity a lump sum payment of the amount referred to in subsection (1) or such other form of payment as the Board considers to be in the best interest of the employee.

(3) If an employee upon his retirement elects to receive an annuity, it may at his option be

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

51. Sections 7, 21, 22, and 24 to 34 apply *mutatis mutandis* to this Part.

22. *The Temporary Provincial Employees Retirement Act* is hereby repealed.

23. This Act comes into force on the day upon which it is assented to and upon so coming into force sections 9 and 16 shall be deemed to have been in force at all times on and after the first day of July, 1963, section 18 shall be deemed to have been in force at all times on and after the first day of January, 1964, and all other sections shall be deemed to have been in force at all times on and after the first day of April, 1964.

No. 145

FIRST SESSION
FIFTEENTH LEGISLATURE
12 ELIZABETH II
1964

BILL

An Act to amend The Public Service
Pension Act

Received and read the

First time

Second time

Third time

HON. MR. HOOKE
