

No. 25

3rd Session, 15th Legislature, Alberta
14 Elizabeth II

BILL 25

A Bill to amend The Public Service Pension Act

HON. MR. HOOKE

Explanatory Note

1. This Bill will amend chapter 264 of the Revised Statutes.

2. Section 2, clauses (c) and (e) presently read:

(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 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;

.....

(e) "salary" means the gross rate of an employee's ordinary salary or wages including cost-of-living bonus, but does not include moneys paid for travelling expenses, subsistence allowances, honorariums, fees, sales of transcripts, overtime pay, or any other moneys paid in addition to his ordinary salary or wages;

3. The number of members authorized for the Public Service Pension Board is increased.

4. Section 4 presently reads:

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

BILL

No. 25 of 1966

An Act to amend The Public Service Pension Act

(Assented to _____, 1966)

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) by striking out clause (c) and by substituting the following:

(c) "employee" means

(i) any person employed on a full time continuous basis for a minimum of thirty hours per week throughout each year by the Government or the Legislative Assembly,

(ii) any married woman employed on a full time continuous basis for a minimum of thirty hours per week throughout each year by the Government or the Legislative Assembly who has applied within the period designated by the Board to be included in the operation of this Act, and

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

who was less than fifty-five years of age at the commencement of his service;

(b) as to clause (e) by adding after the words "but does not include moneys paid" the words "in lieu of holidays, or".

3. Section 3 is amended by striking out the word "three" and by substituting the words "not more than five".

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

5. Section 5, subsection (2) presently reads:

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

6. Section 7, subsection (1) presently reads:

7. (1) Interest at the rate of three per cent per annum, or at such other rate as the Board may from time to time fix,
- (a) shall be credited by the Board to each employee's account on the last day of June and December in each year, and
 - (b) shall be computed on the amounts standing to the credit of the accounts on the next preceding first day of January and July respectively.

7. Section 10 presently reads:

10. An employee who has been an employee for a total period of not less than twenty-five years may retire at any time after he has attained the age of sixty years.

8. Section 12 presently reads:

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.

9. Section 13, subsection (3) presently reads:

(3) When a person who accepts re-employment elects to pay back the amount he has 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.

10. Section 14, subsection (1), clause (d), subclause (i) of clause (d1), clause (e), subclause (ii) of clause (g), clause (h) and subsections (1a) and (4) presently read:

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

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- (d) in the case of a person who was in the employ of the Government or the Legislative Assembly at the time of his enlistment and regardless of his status under the provisions of The Alberta Civil Servants War Service Act, any period of absence on account of service in the British or Allied Forces during World War II or the Korean war, which shall be deemed to be pensionable service if he pays into the General Revenue Fund an amount equal to that which has been contributed under The Alberta Civil Servants War Service Act by the Government in respect of him during such period of absence, or would have so contributed had he been entitled to the benefits provided by that Act, but if he does not pay such amount, then one-half of that period of absence shall be deemed to be pensionable service, and
- (d1) in the case of a person who at the time of his enlistment was not employed by the Government, the Legislative Assembly or a party to a reciprocal agreement pursuant to section 32, any period of service in the British or Allied Forces during World War II or the Korean War,
 - (i) If the date he was employed by the Government, the Legislative Assembly or a party to a reciprocal agreement pursuant to section 32 was within three months of the date of his discharge from military service, and
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5. Section 5, subsection (2) is amended by striking out the words "sixteen thousand dollars" and by substituting the words "eighteen thousand dollars".

6. Section 7 is amended by striking out subsection (1) and by substituting the following:

7. (1) Interest at the rate of four per cent per annum, or at such other rate as the Board may from time to time fix,

(a) shall be computed on the amounts standing to the credit of the accounts on the last day of December in each year, and

(b) shall be credited by the Board to each employee's account on the last day of December in that year.

7. Section 10 is struck out and the following is substituted:

10. An employee whose pensionable service is not less than twenty-five years may retire at any time after he has attained the age of sixty years.

8. Section 12 is amended by adding after the words "A person receiving a pension under this Act may," the words "after attaining the age of sixty-five and".

9. Section 13, subsection (3) is amended by adding after the words "while in receipt of a pension," the words "in such manner and upon such terms as the Board may direct,".

10. Section 14 is amended

(a) as to subsection (1)

(i) by striking out of clause (d) the words "then one-half of that period of absence shall be deemed to be pensionable service," and by substituting the words "then one-half of that period of absence prior to the first day of April, 1947, shall be deemed to be pensionable service,"

(ii) by adding after the words "military service," in subclause (i) of clause (d1) the words "except in a case where circumstances in the opinion of the Board warrant an extension of the period of time referred to,"

(iii) by striking out clause (e) and by substituting the following:

(e) in the case of a person

(i) who during a period or periods of his employment was not eligible to become a contributor under this Act, and

- (e) in the case of a person
 - (i) 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.
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- (g) any period of service with any public body or local authority which 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.
- (1a) The Board may increase the period of time referred to in sub-clause (i) of clause (d1) of subsection (1) when in its opinion circumstances warrant the increase.
- (4) For the purposes of a retirement pursuant to section 10, pensionable service shall not include more than thirty years of service served before the age of sixty.

11. Section 15a reads:

- 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
- (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.
- (2) Upon the payment by an employee of the sum referred to in subsection (1)
- (a) the amount shall be credited to the General Revenue Fund and to the employee's account in the manner provided by section 6, and
 - (b) the employee's first year of employment shall thereafter be deemed to be part of
 - (i) the period of thirty-five years referred to in clause (c) of section 5,
 - (ii) the period of twenty-five years referred to in section 10,
 - (iii) the term referred to in clause (a) of subsection (1) of section 14, and
 - (iv) his service.
- (3) If an employee who entered the public service before the first day of April, 1947, does not make the payment referred to in subsection (1), one-half of his first year of employment or such part thereof as he served before the first day of April, 1947, shall be deemed to be part of his pensionable service.

- (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, if he pays into the General Revenue Fund in such manner and upon 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 interest that would have accumulated thereon during such period or periods,
- (iv) by striking out of subclause (ii) of clause (g) the words "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",
- (v) by adding at the end of clause (h) the words "if payment of contributions is made in such manner and upon such terms as the Board may direct",
- (b) by striking out subsection (1a) and by substituting the following:
 - (1a) Notwithstanding subsection (1), interest on any amount paid in regard to the first year of service shall be as the Board by regulation may prescribe.
- (c) by striking out subsection (4) and by substituting the following:
 - (4) Notwithstanding subsection (1), in the case of a person who is in the employ of the University of Alberta Hospital, any period of service in an approved hospital under *The Alberta Hospitals Act*, may be deemed to be pensionable service, if he pays into the General Revenue Fund such amount in such manner and upon such terms as the Board may direct.

11. Section 15a is repealed.

12. Section 16 is amended to add a cross-reference.

13. A person retiring before age 60 but with at least 25 years of service may receive a pension actuarially reduced on the basis of age 60.

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

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.

15. A reference to the executive secretary of the Board is removed.

16. Section 23 presently reads:

23. When an employee, before he becomes entitled to receive a pension under this Act, resigns or is dismissed, and if he elects to receive a return of his contributions, the amount standing to his credit in the records of the Board, including the accrued interest credited on his contributions under this Act and statutory deductions under The Superannuation Act, shall be paid to him, except in the case of an employee who became an employee after the thirty-first day of March, 1947, and who at the time of his resignation or dismissal has made contributions pursuant to this Act for a period of less than five years, in which case he shall receive no interest.

17. Section 23a, subsections (2) and (3) presently read:

(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.

Subsection (4a) is amended to conform to the amendment to section 10 of the Act.

12. Section 16 is amended by striking out the words "section 17," and by substituting the words "sections 17 and 18,".

13. The following section is added after section 18:

18a. Notwithstanding sections 17 and 18, where a person is retired from the service before he attains the age of sixty years and his pensionable service is not less than twenty-five years, the actuarial equivalent of the normal pension shall be computed at the person's age of retirement of the pension that would have been payable to him were his age then sixty, as determined by the actuarial tables approved by the Board.

14. Section 19, subsection (1) is amended

- (a) as to clause (a) by adding after the word "highest" the words "to a maximum of eighteen thousand dollars for each year",
- (b) by striking out clause (b) and by substituting the following:
 - (b) eighteen thousand dollars,

15. Section 21 is amended by striking out the words "executive secretary of the".

16. Section 23 is amended by striking out the words "who became an employee after the thirty-first day of March, 1947, and".

17. Section 23a is amended

- (a) as to subsection (2)
 - (i) by striking out of clause (a) the words "at the time of his discharge",
 - (ii) by striking out of clause (b) the word "when" and by substituting the words "at any time after",
- (b) as to subsection (3)
 - (i) by striking out of clause (a) the words "at the time of his discharge",
 - (ii) by striking out of clause (b) the word "when" and by substituting the words "at any time after",
- (c) as to subsection (4a) by adding the word "pensionable" before the word "service",
- (d) as to subsection (6), clause (a), subclause (i) by striking out the words "section 23, and" and by substituting the words "subsection (5), or section 23, and".

18. References to the executive secretary of the Board are removed.

19. Section 25, subsection (3) and subsection (4), clause (a) presently read:

(3) Where a deceased employee's beneficiary is his widow or his dependent child or children under the age of twenty-one 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 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

20. Section 26 is revised to remove reference to the executive secretary of the Board.

21. Section 30 presently provides for the presentation of the report on January 15 each year.

22. A reference to the executive secretary of the Board is removed.

18. Section 24 is amended by striking out the words “the executive secretary of” wherever they occur.

19. Section 25 is amended

(a) by striking out subsection (3) and by substituting the following:

(3) Where the beneficiary of a deceased employee or a deceased former employee who had elected to receive a deferred pension is

(a) his widow, or

(b) his or her dependent child under the age of twenty-one years, or

(c) her dependent widower,

the beneficiary is also entitled to receive a further sum equal to the amount standing to the credit of the account of the deceased.

(b) as to subsection (4) by striking out all the words preceding clause (a) and by substituting the following:

(4) Where the pensionable service of an employee or a former employee who had elected to receive a deferred pension, 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 the beneficiary is his widow or her dependent widower, the beneficiary may elect to be paid in lieu of the payments under subsection (3)

20. Section 26 is amended by striking out subsection (1) and by substituting the following:

26. (1) Every employee of the Government

(a) shall deliver to the Board a birth certificate setting out the date of the employee’s birth, or

(b) where such a certificate is not procurable, shall deliver a statutory declaration or such other proof of age as may be required by the Board.

21. Section 30 is struck out and the following is substituted:

30. The Board shall prepare annually, and present to the Lieutenant Governor in Council during the session of the Legislature a report of the proceedings of the Board during the last preceding fiscal year.

22. Section 31, subsection (1), clause (a) is amended by striking out the words “and for the use of the executive secretary of the Board”.

23. Section 32, subsection (3), clause (a), subclause (i) and clause (b), subclause (i) presently read:

- (3) An agreement made under this section may provide
 - (a) in the case of the transfer of an employee from the service of the Government or the Legislative Assembly, that
 - (i) the amount of the employee's contributions and interest thereon standing to the credit of his account in the records of the Board at the time of transfer of his employment, and
.....
be transferred from the General Revenue Fund to the pension fund of the other party to the agreement,
 - (b) in the case of the transfer of an employee to the service of the Government or the Legislative Assembly, that
 - (i) the amount of the employee's contributions and interest thereon standing to the credit of his account in the pension fund at the time of transfer of his employment, and
.....
be transferred from the pension fund of the other party to the agreement to the General Revenue Fund, and

24. Section 33 which relates to the application of the Act to University employees is amended. Section 33, subsection (4) presently reads:

- (4) Each month the Governors of the University of Alberta shall contribute to the General Revenue Fund an amount equivalent to the total amount contributed during that month by the University employees, other than those excluded from the application of this Act.

25. Section 34 which relates to the application of the Act to employees of certain Crown agencies is amended to up-date references to two of those agencies.

26. Section 38, subsection (2) presently reads:

- (2) After a total period of pensionable 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 or more, 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 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.

27. A typographical error is corrected.

23. Section 32, subsection (3) is amended

- (a) as to clause (a), subclause (i) by striking out the word "employment" and by substituting the word "contributions",
- (b) as to clause (b), subclause (i) by striking out the word "employment" and by substituting the word "contributions".

24. Section 33 is amended

- (a) as to subsection (4) by adding after the words "the total amount contributed during that month" the words "on university service",
- (b) by adding the following subsection:

(6) Where a member of the academic staff of the University of Alberta is transferred to the employ of the Government or Legislative Assembly or to any public body named in section 34, the provisions of this Act apply to him with regard to his service with the University notwithstanding clause (a) of subsection (2).

25. Section 34 is amended

- (a) as to clause (a) by striking out subclause (iv) and by substituting the following:
 - (iv) the Oil and Gas Conservation Board,
- (b) as to clause (b) by striking out subclause (i) and by substituting the following:
 - (i) Alberta Commercial Corporation,

26. Section 38, subsection (2) is amended by striking out the word "sixty-five" wherever it occurs and by substituting the word "sixty".

27. Section 40, subsection (3) is amended by striking out the word "accumuated" and by substituting the word "accumulated".

28. Section 41, subsection (2) presently reads:

(2) After a total period of pensionable service of at least five years, whether continuous or not, a person who ceases to be a member of the Executive Council is then entitled to receive

- (a) if his age is then sixty-five years or more, a normal pension in an annual amount equal to two per cent of his average annual income under subsection (5) of section 52 of The Legislative Assembly Act for the five consecutive years of his pensionable service during which that income was the highest multiplied by the total number of years of his pensionable service, or, at his option, an alternative pension as prescribed by section 20, or
- (b) if his age is then less than sixty-five years, a pension that is the actuarial equivalent at his age on ceasing to be a member of the Executive Council 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.

29. Section 44, clause (a) presently reads:

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;

This Part provides for short service retirement benefits.

30. A reference to the executive secretary of the Board is removed.

31. Commencement of Act.

28. Section 41, subsection (2) is amended by striking out the word "sixty-five" wherever it occurs and by substituting the word "sixty".

29. Section 44, clause (a) is amended by striking out the words "to make contributions pursuant to Part I" and by substituting the words "for benefits under Part I".

30. Section 45, subsection (2) is amended by striking out the words "the executive secretary of".

31. This Act comes into force on the day upon which it is assented to and upon so coming into force section 29 shall be deemed to have been in force at all times on and after the first day of January, 1966, and all other sections shall be deemed to have been in force at all times on and after the first day of April, 1966.

No. 25

THIRD SESSION
FIFTEENTH LEGISLATURE
14 ELIZABETH II
1966

BILL

An Act to amend The Public Service
Pension Act

Received and read the

First time

Second time

Third time

HON. MR. HOOKE
