

1968 Bill 93

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First Session, 16th Legislature, 17 Elizabeth II

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THE LEGISLATIVE ASSEMBLY OF ALBERTA

## **BILL 93**

**An Act to amend The Public Service Pension Act**

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THE HON. A. J. HOOKE

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First Reading .....

Second Reading .....

Third Reading .....

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# BILL 93

1968

An Act to amend The Public Service Pension Act

(Assented to \_\_\_\_\_, 1968)

**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* is hereby amended.

2. Section 2 is amended

- (a) as to clause (c), subclauses (i) and (ii) by adding after the words "for a minimum" the word "average",
- (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 prior to the age of 65 years by the Government or the Legislative Assembly or any body which is a party to a reciprocal agreement pursuant to section 32 or by any public body approved by the Board and includes any period of
    - (i) service in the British or Allied Armed Forces during World War II or the Korean War,
    - (ii) authorized leave of absence with or without pay subject to the conditions prescribed by the Board, and
    - (iii) service as a member of the Legislative Assembly or Executive Council;

3. Section 7, subsection (2) is amended by adding the word ", or" at the end of clause (b) and by adding the following clauses after clause (b):

- (c) the date of death of an employee whose beneficiary is entitled to benefits pursuant to section 25, or
- (d) the date of termination of employment of an employee entitled to benefits pursuant to section 50.

4. Section 13 is amended

- (a) as to subsection (1) by striking out the word "Where" and by substituting the words "Notwithstanding section 12, where",

## **Explanatory Notes**

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

**2. Section 2, (c) and (f) presently read:**

- (c) "employee" means
  - (i) any person employed on a full time continuous basis for a minimum of 30 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 30 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 55 years of age at the commencement of his service;
- (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 which 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 7 (2) presently reads:**

- (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.

**4. Section 13 (1) and (3) presently read:**

13. (1) Where a person has retired on pension under this Act before the retirement age of 65 and is re-employed by the Government or the Legislative Assembly, if he is eligible to make further contributions pursuant to section 5, 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.

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

- (b) as to subsection (3) by striking out the words “in such manner and upon such terms as the Board may direct, then his service” and by substituting the words “together with interest on that amount from the date when he became re-employed to the date of completion of payment in full, then his pensionable service”.

**5. Section 14 is amended**

- (a) as to subsection (1)
  - (i) by striking out of subclause (ii) of clause (c) the words “during such period or periods,” and by substituting the words “to the date of completion of payment in full,”
  - (ii) by striking out of clause (e) the words “during such period or periods,” and by substituting the words “to the date of completion of payment in full,”
  - (iii) by striking out the word “and” at the end of clause (g),
  - (iv) by striking out of clause (h) the words “is made in such manner and upon such terms as the Board may direct” and by substituting the words “and interest is made in an amount that the Board by regulation may prescribe”,
  - (v) by adding after clause (h) the following clauses:
    - (i) any period of service with any public body approved by the Board,
    - (i) if the period between the employment with that body 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 the period, and
    - (ii) if the employee pays at such rate of contributions and upon such terms as the Board may direct both employee employer contribution on the annual salary paid to him by that body together with interest thereon in an amount prescribed by the Board from the date of commencement of contributions on his prior service to the date of completion of payment in full,
- and
- (j) any period of service as a member of the the Legislative Assembly or Executive

**5. Section 14 (1) (c), (e) and (h) and (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 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 service shall be deemed to be pensionable service,

.....

(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

(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,

.....

(h) any period or periods of authorized leave of absence without pay approved by the Board if payment of contributions is made in such manner and upon such terms as the Board may direct.

(3) Notwithstanding subsection (1), pensionable service shall not include more than the last 35 years of service.

Council, if the employee 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 to the date of completion of payment in full.

- (b) as to subsection (3) by striking out the words "the last".

**6.** Section 15 is amended by striking out the words "date of his re-employment" and by substituting the words "date a refund of contributions was made".

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

**19.** (1) The normal pension payable to an employee upon his retirement shall be an annual amount equal to 2 per cent of his average annual salary for the five consecutive years of his service during which his salary was the highest to a maximum of \$18,000 for each year, multiplied by the total number of years of his pensionable service computed to the nearest complete month thereof, or by 35, whichever is the less.

**8.** Section 23a is amended

- (a) as to subsection (2), clause (b) by adding after the words "as provided in this section, at" the words "the age of 65 years but may be granted a pension at",
- (b) by adding the following subsection after subsection (2):
  - (2a) Where
    - (a) the position occupied by an employee 60 years of age or older is abolished, and
    - (b) the employee is transferred to another position in the Government service at a lower rate of salary,  
the employee may, during the continuation of his employment, contribute on the rate of salary that was applicable to his former position at the time it was abolished and in that event that rate of salary shall be taken into account when his pension is computed pursuant to section 19.
- (c) as to subsection (3), clause (b) by adding after the words "as provided in this section, at" the words "the age of 65 years but may be granted a pension at",
- (d) as to subsection (6)
  - (i) by striking out of clause (a), subclause (ii)

**6. Section 15 presently reads:**

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.

**7. Section 19 (1) presently reads:**

19. (1) The normal pension payable to an employee upon his retirement shall be an annual amount equal to 2 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 to a maximum of \$18,000 for each year, or
- (b) \$18,000,

multiplied by the total number of years of his pensionable service computed to the nearest complete month thereof, or by 35, whichever number is the less.

**8. Section 23a (2), (3) and (6) 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) 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, at any time after he attains the age of 60 years.

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

- (a) 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, at any time after he attains the age of 60 years.

(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 subsection (5), or 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.

the words "date of his re-employment" and by substituting the words "date a refund of contributions was made",

- (ii) by striking out the word "or" at the end of clause (a) and by substituting the word "and".

**9.** Section 24 is amended by striking out subsection (4) and by substituting the following:

(4) Where there is no subsisting notice designating a beneficiary on file with the Board at the time of death of the employee or former employee, an instrument in writing signed by the deceased employee or former employee and designating a beneficiary may after his death be filed with the Board.

(5) Where an instrument filed under section (4) purports to be a will and to leave the entire estate of the deceased employee or former employee

(a) to one person, or

(b) to a number of persons in specified shares,

the instrument shall be deemed to designate that person or those persons, as the case may be, as the beneficiary for the purposes of this Act.

(6) Where there is no subsisting designation of a beneficiary, then

(a) if the deceased employee or former employee is survived by a spouse, the surviving spouse is the beneficiary, and

(b) if there is no surviving spouse, the estate of the deceased employee or former employee is the beneficiary.

(7) Where a beneficiary is designated or there is a surviving spouse, any money payable under this Act to the designated beneficiary or surviving spouse is not part of the estate of the deceased employee or former employee and is not subject to the claims of his creditors.

**10.** Section 25, subsection (4) is amended by striking out clause (a).

**11.** Section 26, subsection (2) is amended by striking out the words "within one year of the commencement of the employment of the employee" and by substituting the words "before any retirement or survivor benefits are paid".

**12.** Section 36, subsection (2) is amended by adding at the end thereof the words "or any service as defined in clause (f) of section 2 (other than service as a teacher in the employ of a school board as defined in *The Teachers' Retirement Fund Act, 1965*) notwithstanding the age restriction".

**13.** Section 37, subsection (3) is amended by striking out the words "during that period" and by substituting the words "to the date of completion of such payment in full".



**9. Section 24 presently reads:**

24. (1) For the purposes of this Act, any employee 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.

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

(3) Upon the filing with the Board of any notice in writing changing his beneficiary or upon the marriage of any employee, any notice filed prior to the filing of the notice changing the beneficiary or prior to the marriage, as the case may be, is void for all purposes and shall be cancelled by the Board.

(4) If any employee fails to designate a beneficiary, or if his designation is void by reason of his subsequent marriage, or if the beneficiary so designated is dead, the employee's estate shall be deemed to be his beneficiary.

**10. Section 25 (4) presently reads:**

(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 10 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)

(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, or

(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).

**11. Section 26 (2) presently reads:**

(2) Every employee shall deliver such certificate, statutory declaration or other acceptable proof of age, as the case may be, within one year of the commencement of the employment of the employee.

**12. Section 36 (2) presently reads:**

(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.

**13. Section 37 (3) presently reads:**

(3) 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 directs, 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.

**14. Section 38 is amended**

- (a) by adding the following subsection after subsection (1) :

(1a) Pensionable service may include any service recognized as pensionable under section 14 (other than service as a teacher in the employ of a school board as defined in *The Teachers' Retirement Fund Act, 1965*).

- (b) as to subsection (2) by striking out clause (a) and by substituting the following:

(a) if his age is then 60 years or more, a normal pension in an annual amount equal to 2 per cent of the average annual allowance payable to him under *The Legislative Assembly Act* for the three consecutive years of his service during which that allowance was the highest, multiplied by the total number of years of his pensionable service computed to the nearest complete month thereof, or by 35, whichever number is the less, or

**15. Section 39, subsection (1) is amended by striking out the words "under section 37".**

**16. Section 39a, clause (b) is amended**

- (a) by striking out subclause (i) and by substituting the following:

(i) any sum that was paid to him pursuant to section 39 upon the termination of his prior service, together with interest on that sum from the date a refund of contributions was made to the date of completion of payment in full, or

- (b) as to subclause (ii) by striking out the words "during that prior service" and by substituting the words "to the date of completion of payment in full".

**17. Section 41, subsection (2), clause (a) is amended**

- (a) by striking out the words "five consecutive years of his pensionable service" and by substituting the words "three consecutive years of his service",
- (b) by adding after the words "total number of years of his pensionable service" the words "computed to the nearest complete month thereof".

**18. Section 43, clause (b) is amended**

- (a) by striking out subclause (i) and by substituting the following:

(i) any sum that was paid to him pursuant to section 42 upon the termination of his prior service, together with interest on that sum from the date a refund of contributions was made to the date of completion of payment in full, or

**14. Section 38 (2) presently reads:**

(2) After a total period of pensionable service of at least 10 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 60 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 60 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 60 years, as determined by the actuarial tables that are approved by the Board for that purpose.

**15. Section 39 (1) presently reads:**

39. (1) After a total period of pensionable service of five years or more but less than 10 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 37.

**16. Section 39a presently reads:**

39a. 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 38 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 39 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.

**17. Section 41 (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 60 years or more, a normal pension in an annual amount equal to 2 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 60 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 60 years, as determined by the actuarial tables that are approved by the Board for that purpose.

**18. Section 43 presently reads:**

43. If a person has formerly been a member of the Executive Council and after a lapse of time again becomes a member

- (a) the payment of any pension theretofore received by him pursuant to section 41 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 40 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 42 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.

- (b) as to subclause (ii) by striking out the words “during that period” and by substituting the words “to the date of completion of such payment in full”.

**19.** Section 47, subsection (1) is amended by striking out the words “during the period or periods of his prior service” and by substituting the words “until payment is made in full or the date of termination of employment, whichever occurs first”.

**20.** This Act comes into force on the day upon which it is assented to and upon so coming into force shall be deemed to have been in force at all times on and after January 1, 1968.

**19. Section 47 (1) presently reads:**

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.