

1969 Bill 76

Second Session, 16th Legislature, 18 Elizabeth II

THE LEGISLATIVE ASSEMBLY OF ALBERTA

BILL 76

An Act to amend The Public Service Pension Act

HON. MR. AALBORG

First Reading

Second Reading

Third Reading

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An Act to amend The Public Service Pension Act

(Assented to , 1969)

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 5 is amended by striking out subsection (2).

3. Section 9, subsections (2) and (3) are amended by striking out the word "service" wherever it occurs and by substituting the word "employment".

4. Section 14 is amended

(a) as to subsection (1)

(i) by striking out the word "three" in clause (d1), subclause (i) and by substituting the word "six",

(ii) by striking out clause (g) and by substituting the following:

(g) any period of service with any government, 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 that government, public 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

Explanatory Notes

1. This Bill amends chapter 264 of the Revised Statutes.

2. Section 5 (2) reads:

(2) The contributions of an employee under subsection (1) shall not exceed 5 per cent of an annual salary of \$18,000.

3. Section 9 (2) and (3) presently read:

(2) Where the service of an employee continues after he has attained the age of 65 years, for the purposes of section 16 the employee's retirement shall be effective upon the date of the actual termination of his service.

(3) Where arrangements are made for the continuation of the service of any employee after he has attained the age of 65 years and that employee has elected for a pension payable for life or for a term of years certain, whichever is the longer, the term of years certain commences and shall be calculated from the date the employee attained the age of 65 years.

4. Section 14 (1) (d1) (i) and (g) and (i) presently read:

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

.....

(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, except in a case where circumstances in the opinion of the Board warrant an extension of the period of time referred to, and

(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 the employee and employer contributions on the annual salary paid to him by such body or local authority together with interest on such amount from the date of commencement of contributions on his prior service to the date of completion of such payment in full,

(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 and employer contributions 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,

- (ii) if he pays at the rate and on the terms that the Board directs, contributions on the annual salary paid to him by that government, public body or local authority, together with interest thereon from the date of commencement of contributions on that service to the date of completion of payment in full,
 - (iii) by striking out clause (i) and by substituting the following:
 - (i) any period of service with any public body approved by the Board, if the employee pays at the rate and on the terms that the Board directs, contributions on the rate of salary paid to him by the Government or the Legislative Assembly at the commencement of employment calculated as if that rate of salary were actually paid to him during his service with that body, together with interest thereon at a rate prescribed by the Board from the date of commencement of contributions on that service to the date of completion of payment in full, and
- (b) by adding the following subsection after subsection (4):
 - (5) Notwithstanding subsection (1), any service under clauses (d1) and (g) shall be deemed to be pensionable service where
 - (a) the period between military discharge and the commencement of service or the period between employment is greater than six months, and the circumstances in the opinion of the Board do not warrant an extension of the six-months' period, and
 - (b) the employee pays contributions on the annual salary referred to in clause (d1) or (g), as the case may be, at the rate and upon the terms that the Board directs, together with interest thereon at a rate prescribed by the Board from the date of commencement of contributions on that service to the date of completion of payment in full.

5. Section 19 is amended

- (a) as to subsection (1) by striking out the words "to a maximum of \$18,000 for each year",
- (b) as to subsection (1a) by striking out the words "up to a maximum of \$18,000".

5. Section 19 (1) and (1a) presently read:

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.

(1a) Notwithstanding subsection (1), if during any part of the five consecutive years referred to therein in respect of which contributions were required to be made under section 5, the employee

(a) earned an annual salary in excess of \$16,000, but

(b) did not make contributions under this Act with respect to any portion of his salary that exceeded \$16,000,

then for the purposes of subsection (1), his salary shall be taken to be the amount on which he made contributions and not the amount of his actual salary, but any such person may, at his option and in such manner as the Board may by regulation prescribe, make contributions on the difference between \$16,000 and his actual salary for the period in question up to a maximum of \$18,000, and is thereupon entitled to a pension calculated in accordance with subsection (1).

6. The following section is added after section 22:

22a. (1) Notwithstanding the provisions of this Act, for the purpose of maintaining an approximate parity with the cost of living, the Lieutenant Governor in Council may authorize the Board from time to time to make specific or general adjustments in the amount of pensions or any class thereof, effective from such time as may be specified in the order.

(2) Nothing in subsection (1) empowers the Lieutenant Governor in Council to make specific or general adjustments in the amount of pensions or any class thereof which would have the effect of reducing the amount of a pension to a level below that to which a person becomes entitled (apart from subsection (1)) under this Act.

7. Section 23 is amended by striking out the words "for a period of less than five years," and by substituting the words "with respect to a period of service of less than one year,".

8. Section 24 is amended

- (a) as to subsection (5) by striking out the word "section" and by substituting the word "subsection",
- (b) as to subsection (6), clause (a) by striking out the word "survived" and by substituting the word "survived".

9. Section 32 is amended

- (a) as to subsection (1), clause (a) by adding after the words "who transfers from or to the employment of" the words "or service with",
- (b) as to subsection (3), clause (a)
 - (i) by striking out the words preceding subclause (i) and by substituting the following
 - (a) in the case of the transfer of a person from the employment of or service with the Government or the Legislative Assembly, that
 - (ii) as to subclauses (i) and (ii) by striking out the word "employee's" and by substituting the word "person's".

10. This Act comes into force on the day upon which it is assented to and upon so coming into force section 4, clause (b) shall be deemed to have been in force at all times on and after January 1, 1969 and all other sections shall be deemed to have been in force at all times on and after April 1, 1969.

6. New. Lieutenant Governor in Council has power to adjust the amount of pensions.

7. 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 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.

8. Amends typographical errors.

9. Section 32 (1) (a), (3) (a) (i) and (ii) presently read:

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, and with any person who administers the pension plan on its behalf, 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

(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 contributions, and

(ii) a Government contribution equal to the amount in the employee's account under subclause (i),

be transferred from the General Revenue Fund to the pension fund of the other party to the agreement,