

1970 Bill 130

Third Session, 16th Legislature, 19 Elizabeth II

THE LEGISLATIVE ASSEMBLY OF ~~ALBERTA~~

BILL 130

**An Act respecting Pensions for Members of
the Legislative Assembly**

HON. A. O. AALBORG

First Reading

Second Reading

Third Reading

BILL 130

1970

An Act respecting Pensions for Members of
the Legislative Assembly

(Assented to _____, 1970)

HER MAJESTY, by and with the advice and consent of
the Legislative Assembly of the Province of Alberta,
enacts as follows:

1. This Act may be cited as *The M.L.A. Pension Act, 1970*.

2. In this Act,

(a) "Board" means the Public Service Pension Board;

(b) "service" means

(i) 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, or

(ii) any service as defined in section 2, clause (f) of *The Public Service Pension Act*, other than service as a teacher in the employ of a school board as defined in *The Teachers' Retirement Fund Act, 1965*.

Explanatory Notes

1. This Bill repeals and replaces chapter 71 of the Statutes of Alberta, 1969. It establishes separate pension systems for M.L.A., members of the Executive Council, Speaker, Deputy Speaker and leader of Her Majesty's loyal opposition.

2. Definitions.

PART 1

MEMBERS OF THE ASSEMBLY

3. (1) Each member of the Legislative Assembly may contribute to the General Revenue Fund at the rate of 5 per cent of the allowance payable to him prior to April 1, 1970 under section 52, subsections (1) and (6a) of *The Legislative Assembly Act* and at the rate of 7½ per cent of the allowance so payable to him thereafter.

(2) 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.

(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 to the date of completion of such payment in full.

(4) No contributions shall be made by a member of the Legislative Assembly after he has contributed in respect of a total period of 20 years.

(5) The Board shall keep a separate account of the contributions made by each member of the Legislative Assembly under this section and shall credit interest to the account of each member at the rate and in the manner prescribed in section 17.

(6) Where any member of the Legislative Assembly has contributed in respect of a total period exceeding 20 years, the amount of the contributions of that member for any years that exceed the first 20 years for which contributions have been credited shall be refunded to the member together with the interest credited on that amount.

4. (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 3 and section 6, but shall not exceed 20 years.

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

3. Contributions.

4. Pensionable service.

(3) After a total period of pensionable service of the lesser of eight years or two complete terms of the Legislative Assembly, 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 in an annual amount equal to 4 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 20, whichever number is the less, or at his option, an alternative pension as prescribed by section 20 of *The Public Service Pension Act*, 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.

5. (1) After a total period of pensionable service of one year or more but less than the minimum period of pensionable service required under section 4, subsection (3), 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.

(2) After a total period of pensionable service of less than one year, 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.

(3) If a member of the Legislative Assembly dies while he is a member section 18 applies.

6. 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 4 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 3 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

5. Refund of contributions.

6. Interrupted service.

- (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 5 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
 - (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 to the date of completion of payment in full.

PART 2

MEMBERS OF THE EXECUTIVE COUNCIL

7. (1) Each member of the Executive Council may contribute to the General Revenue Fund at the rate of 5 per cent of the annual compensation payable to him prior to April 1, 1970 under section 52, subsection (5) or (7) of *The Legislative Assembly Act* and at the rate of 7½ per cent of the annual compensation so payable to him thereafter.

(2) 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.

(3) A member of the Executive Council who served as a Minister without portfolio before becoming the head of a Department, 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 during his period of service as a Minister without portfolio had section 52, subsection (5) of *The Legislative Assembly Act* applied to him during that period, together with the interest that would have been accumulated thereon to the date of completion of payment in full.

(4) No contributions shall be made by a member of the Executive Council after he has contributed in respect of a total period of 20 years.

(5) The Board shall keep a separate account of the contributions made by each member of the Executive Council under this section and shall credit interest to the account of each member at the rate and in the manner prescribed in section 17.

(6) Where any member of the Executive Council has contributed in respect of a total period exceeding 20 years, the amount of the contributions of that member for any years that exceed the first 20 years for which contributions have been credited shall be refunded to the member together with the interest credited on that amount.

8. (1) The pensionable service of a member of the Executive Council shall be any term or terms of his service for which he has made contributions under sections 7 and 10, but shall not exceed 20 years.

(2) After a total period of pensionable service of at least one year, a person who ceases to be a member of the Executive Council and who has acquired or who subsequently acquires the pensionable service required for a pension under Part 1 is then entitled to receive

7. Contributions.

8. Pensionable service.

- (a) if his age is then 60 years or more, a normal pension in an annual amount equal to 4 per cent of
 - (i) his average annual income under section 52, subsection (5) or (7) of *The Legislative Assembly Act*, where his years of service do not exceed three years, or
 - (ii) his average annual income under section 52, subsection (5) or (7) of *The Legislative Assembly Act* for the three consecutive years of his service during which that income was highest, where his years of service exceed three years,
multiplied by the total number of years of his pensionable service computed to the nearest complete month thereof, or by 20, whichever number is less, or at his option, an alternative pension as prescribed by section 20 of *The Public Service Pension Act*, 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.

9. (1) After a total pensionable service of one year or more, a person who does not qualify for a pension under section 8, subsection (2) and who ceases to be a member of the Executive Council shall be paid the amount standing to his credit in the General Revenue Fund, including the accrued interest credited on his contributions.

(2) After a total period of pensionable service of less than one year, a person who ceases to be a member of the Executive Council shall be paid the total amount of the contributions he has made under this Act, without interest thereon.

(3) If a member of the Executive Council dies during his term of service on the Executive Council section 18 applies.

10. 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 8 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 7 in respect of his

9. Refund of contributions.

10. Interruption of service.

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 9 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
 - (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 to the date of completion of such payment in full.

PART 3

SPEAKER, DEPUTY SPEAKER AND LEADER OF THE OPPOSITION

11. (1) The Speaker, Deputy Speaker and the recognized leader of Her Majesty's loyal opposition may contribute to the General Revenue Fund at the rate of 7½ per cent of the allowance payable to them respectively after April 1, 1970

- (a) in the case of the Speaker, under section 35, subsection (1) of *The Legislative Assembly Act*,
- (b) in the case of the Deputy Speaker, under section 35, subsection (2) of *The Legislative Assembly Act*, and
- (c) in the case of the leader of Her Majesty's loyal opposition, under section 52, subsection (6) of *The Legislative Assembly Act*.

(2) 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.

(3) The contributions of a member of the Legislative Assembly who, prior to April 1, 1970, held the office of Speaker, Deputy Speaker or leader of Her Majesty's loyal opposition and who is not on April 1, 1970 receiving a pension by virtue of his service as a member of the Legislative Assembly shall be, to the extent that they were based on an allowance in excess of that payable to a member of the Legislative Assembly who did not hold one of those offices, be transferred to his account under this Part.

(4) A member of the Legislative Assembly who holds the office of Speaker, Deputy Speaker or leader of Her Majesty's loyal opposition and who previously held the office but did not make contributions under this Act in respect thereof, may pay into the General Revenue Fund, in such manner and upon such terms as the Board directs, an amount equal to

- (a) 5 per cent of the amount by which his allowance as holder of that office exceeded the allowance of members who did not hold one of those offices for each period prior to April 1, 1970 for which he is contributing under this subsection,
- (b) the amounts payable under this Part on and after April 1, 1970, and
- (c) the interest that would have been accumulated thereon to the date of completion of the payment in full.

11. Contributions.

(5) No contributions shall be made by a member of the Legislative Assembly who holds the office of Speaker, Deputy Speaker or leader of Her Majesty's loyal opposition in relation to that office after he has contributed in respect of a total period of 20 years for that office.

(6) The Board shall keep a separate account of the contributions made by each person under this section and shall credit interest to the account of each member at the rate and in the manner prescribed in section 17.

(7) Where any member of the Legislative Assembly has contributed in relation to any one office in respect of a total period exceeding 20 years, the amount of the contributions of that member in relation to that office for any years that exceed the first 20 years for which contributions have been credited shall be refunded to the member together with the interest credited on that amount.

12. (1) The pensionable service of the Speaker shall be any term or terms of his service for which he has made contributions under sections 11 and 14, but shall not exceed 20 years.

(2) The pensionable service of the Deputy Speaker shall be any term or terms of his service for which he has made contributions under sections 11 and 14, but shall not exceed 20 years.

(3) The pensionable service of the leader of Her Majesty's loyal opposition shall be any term or terms of his service for which he has made contributions under sections 11 and 14, but shall not exceed 20 years.

(4) After a total period of pensionable service of at least one year, a person who ceases to be the Speaker, Deputy Speaker or leader of Her Majesty's loyal opposition and who has acquired or who subsequently acquires the pensionable service required for a pension under Part 1, is then entitled to receive

- (a) if his age is then 60 years or more, a normal pension in an annual amount equal to 4 per cent of
 - (i) in the case of the Speaker,
 - (A) his average annual allowance under section 35, subsection (1) of *The Legislative Assembly Act* where his years of service do not exceed three years, or
 - (B) his average annual allowance under section 35, subsection (1) of *The Legislative Assembly Act* for the three consecutive years of his service during which his allowance was highest, where his years of service exceed three years,

12. Pensionable service.

- (ii) in the case of the Deputy Speaker,
 - (A) his average annual allowance under section 35, subsection (2) of *The Legislative Assembly Act* where his years of service do not exceed three years, or
 - (B) his average annual allowance under section 35, subsection (2) of *The Legislative Assembly Act* for the three consecutive years of his service during which his allowance was highest, where his years of service exceed three years,
- (iii) in the case of the leader of Her Majesty's loyal opposition,
 - (A) his average annual allowance under section 52, subsection (6) of *The Legislative Assembly Act* where his years of service do not exceed three years, or
 - (B) his average annual allowance under section 52, subsection (6) of *The Legislative Assembly Act* for the three consecutive years of his service during which his allowance was highest, where his years of service exceed three years,

multiplied by the total number of years of his pensionable service computed to the nearest complete month thereof, or by 20, whichever number is the less, or, at his option, an alternative pension as prescribed by section 20 of *The Public Service Pension Act*, or

- (b) if his age is then less than 60 years, a pension that is the actuarial equivalent at his age on ceasing to hold the office in relation to which he was contributing under this Part 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.

13. (1) After a total period of pensionable service of one year or more, a person who does not qualify for a pension under section 12, subsection (4) and who ceases to hold the office in relation to which he was contributing under this Part shall be paid the amount standing to his credit in the General Revenue Fund, including the accrued interest credited on his contributions.

(2) After a total period of pensionable service of less than one year, a person who ceases to hold the office in relation to which he was contributing under this Part shall be paid the total amount of the contributions he has made under this Act, without interest thereon.

13. Refund of contributions.

(3) If the Speaker, Deputy Speaker or leader of Her Majesty's loyal opposition dies during his term of service as Speaker, Deputy Speaker or leader of Her Majesty's loyal opposition, respectively, section 18 applies.

14. If a person has formerly been the Speaker, Deputy Speaker or leader of Her Majesty's loyal opposition and after a lapse of time again holds that office

- (a) the payment of any pension theretofore received by him pursuant to section 12 in respect of his prior service shall be suspended until he again ceases to hold the office, at which time, if he has made contributions pursuant to section 11 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 13 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
 - (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 to the date of completion of such payment in full.

15. *The Legislative Assembly Act* is amended

- (a) as to section 35 by striking out subsections (1) and (2) and by substituting therefor the following subsections:

35. (1) In respect of each session of the Legislative Assembly that is first held in any year, there shall be paid to the member of the Legislative Assembly holding the office of Speaker

- (a) an additional sessional indemnity allowance of \$3,200, and
- (b) an additional expense allowance of \$1,600 for expenses incidental to his increased duties as a member.

(2) In respect of each session of the Legislative Assembly that is first held in any year, there shall be paid to the member of the Legislative Assembly holding the office of Deputy Speaker

14. Interruption of service.

15. Section 35, subsections (1) and (2) of the Legislative Assembly Act presently reads:

35. (1) In respect of each session of the Legislative Assembly that is first held in any year, there shall be paid to the Speaker

- (a) a sessional indemnity allowance of \$8,000, and
- (b) an expense allowance of \$4,000 for expenses incidental to the discharge of his duties as a member of the Legislative Assembly and as Speaker.

(2) In respect of each session of the Legislative Assembly that is first held in each year, there shall be paid to the Deputy Speaker

- (a) a sessional indemnity allowance of \$6,400, and
- (b) an expense allowance of \$3,200 for expenses incidental to the discharge of his duties as a member of the Legislative Assembly and as Deputy Speaker.

Section 52, subsections (1) and (6) presently reads:

52. (1) For each session of the Legislative Assembly that is first held in any year there shall be paid to each member of the Legislative Assembly attending the session, other than the Speaker or Deputy Speaker and the recognized leader of Her Majesty's loyal opposition,

- (a) a sessional indemnity allowance of \$4,800, and
- (b) an expense allowance of \$2,400 for expenses incidental to the discharge of his duties as a member of the Legislative Assembly.

(6) For each session of the Legislative Assembly that is first held in any year there shall be paid to the recognized leader of Her Majesty's loyal opposition attending the session,

- (a) a sessional indemnity allowance of \$7,200, and
- (b) an expense allowance of \$3,600 for expenses incidental to the discharge of his duties as a member of the Legislative Assembly and as leader of Her Majesty's loyal opposition.

- (a) an additional sessional indemnity allowance of \$1,600, and
 - (b) an additional expense allowance of \$800 for expenses incidental to his increased duties as a member.
- (b) as to section 52
- (i) by striking out subsection (1) and by substituting therefor the following subsection:

52. (1) For each session of the Legislative Assembly that is first held in any year there shall be paid to each member of the Legislative Assembly attending the session,

 - (a) a sessional indemnity allowance of \$4,800, and
 - (b) an expense allowance of \$2,400 for expenses incidental to the discharge of his duties as a member of the Legislative Assembly.
 - (ii) by striking out subsection (6) and by substituting therefor the following subsection:

(6) For each session of the Legislative Assembly that is first held in any year there shall be paid to the recognized leader of Her Majesty's loyal opposition attending the session,

 - (a) an additional sessional indemnity allowance of \$2,400, and
 - (b) an additional expense allowance of \$1,200 for expenses incidental to his increased duties as a member of the Legislative Assembly.

PART 4

GENERAL

16. Subject to the modifications and exceptions set out in this Act, *The Public Service Pension Act* applies *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.

17. (1) Interest at the rate of 4 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 member'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.

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

- (a) the date when payment is made in full to the member pursuant to section 5, 9 or 13, or
- (b) the date of death of a member whose beneficiary is entitled to benefits pursuant to section 18.

18. (1) Where a person dies while a member of the Executive Council or the Legislative Assembly, or while holding the office of Speaker, Deputy Speaker or leader of Her Majesty's loyal opposition, the amount standing to the credit of his account in the records of the Board shall be paid to his beneficiary.

(2) The amount payable under this section may be paid in a lump sum or in such instalments as the Board may direct.

(3) Where the beneficiary of a deceased member is

- (a) his widow, or
- (b) his or her dependent child under the age of 21 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.

16. Application of Public Service Pension Act.

17. Interest.

18. Death of member.

(4) Where a person was, at the time of his death, not eligible for a pension in respect of which he had been contributing under this Act, 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 pension of the same amount as would have been payable if the member immediately before his death had retired under section 11, subsection (1), clause (b) of *The Public Service Pension Act* and had been entitled to exercise and had exercised the option given of receiving a pension during the joint lives of himself and his wife and during the life of the survivor, or

(b) 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 (a).

19. If the persons to whom this Act applies become participants under the Canada Pension Plan, the Lieutenant Governor in Council may by regulation alter

(a) the rate of contributions,

(b) the service to be recognized as pensionable service, and

(c) the amounts of the pension payable under this Act, in respect of any periods of service during which those persons are participants under the Canada Pension Plan and in conformity with any agreement between the Governments of Canada and Alberta, and such regulation shall be of the same force and effect as if it were enacted as part of this Act.

20. *The M.L.A. Pension Act*, being chapter 71 of the Statutes of Alberta, 1969 is repealed.

21. 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 April 1, 1970.

19. Canada Pension Plan.

20. Repeal.