

1973 Bill 63

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Second Session, 17th Legislature, 21 Elizabeth II

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THE LEGISLATIVE ASSEMBLY OF ALBERTA

**BILL 63**

**The Wage Assignments Act**

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MR. LEE

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**First Reading** .....

**Second Reading** .....

**Third Reading** .....

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*Bill 63*  
*Mr. Lee*

## **BILL 63**

1973

### **THE WAGE ASSIGNMENTS ACT**

*(Assented to , 1973)*

**H**ER MAJESTY, by and with the advice and consent of the Legislative Assembly of Alberta, enacts as follows:

**1.** In this Act, "wages" includes salary.

**2.** Any assignment made after the commencement of this Act by any person of all or any part of his wages to secure the payment or repayment of an existing or future indebtedness is against public policy and void.

**3.** (1) Section 2 does not apply to any assignment of wages made to secure the payment by the assignor of

- (a) premiums under a group insurance contract, or
- (b) dues or fees payable to a trade union or association of employees, or
- (c) installments of the purchase price of a bond or debenture, or
- (d) installments under a savings plan, or
- (e) donations for charitable purposes, or
- (f) charges for use of parking space for a vehicle, or
- (g) charges for any other service rendered to the assignor

under an agreement or arrangement to which the assignor's employer is a party.

(2) Section 2 does not apply to any assignment of wages made to secure the payment by the assignor of any indebtedness to his employer where the indebtedness arose from a term of his employment with that employer.

**4.** This Act comes into force on January 1, 1974.

## **Explanatory Notes**

**GENERAL.** In its Report No. 8, entitled "Assignment of Wages", The Institute of Law Research and Reform of Alberta recommended legislative reform of the law relating to assignment of wages. The Institute's primary recommendation is that the law declare invalid all irrevocable assignments of wages or salary given to secure the repayment of an indebtedness. This Bill will give effect to that recommendation but will extend it to include revocable assignments as well. This will not affect the common types of pay-roll deductions for such things as group insurance premiums, union dues, parking stall charges, bonds or savings plans, etc.

### **1. Definition.**

**2.** Assignments of wages are void where the assignment is made on or after January 1, 1974.

**3.** Exceptions in cases of common types of pay-roll deductions. In most cases, pay-roll deductions of these kinds are based on authorizations given by the employee to his employer, which are not true assignments of wages to which section 2 extends.