

1975 Bill 89
(Second Session)

First Session, 18th Legislature, 24 Elizabeth II

THE LEGISLATIVE ASSEMBLY OF ALBERTA

BILL 89

THE M.L.A. PENSION AMENDMENT ACT, 1975

THE PROVINCIAL TREASURER

First Reading

Second Reading

Third Reading

BILL 89

1975

(Second Session)

THE M.L.A. PENSION AMENDMENT ACT, 1975

(Assented to _____, 1975)

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

1. *The M.L.A. Pension Act is hereby amended.*
2. *Section 2 is amended*
 - (a) *by striking out clause (a) and by substituting the following:*
 - (a) "Board" means the Public Service Management Pension Board;
 - (b) *as to clause (b) by striking out subclause (ii) and by substituting the following:*
 - (ii) any service as defined in section 1, clause (k) of *The Public Service Management Pension Act*, other than service with any private body.
3. *Section 3, subsection (1) is amended by striking out the words ", subsection (1)".*
4. *Section 4 is amended*
 - (a) *by striking out subsection (2) and by substituting the following:*
 - (2) Pensionable service may include any service recognized as pensionable service under section 15 of *The Public Service Management Pension Act*, other than service with any private body.
 - (b) *by striking out subsection (3) and by substituting the following:*
 - (3) After a period of pensionable service of not less than five years, a person who ceases to be a member of the Legislative Assembly is then entitled to receive

Explanatory Notes

1. This Bill will amend chapter 240 of the Revised Statutes of Alberta 1970.

2. The amendment in clause (a) results from the administration of this Act being transferred to the Public Service Management Pension Board. The change in clause (b) will allow service as a teacher to be counted.

Section 2, clause (a) and clause (b), subclause (ii) read as follows:

- 2. In this Act,
 - (a) "Board" means the Public Service Pension Board;
 - (b) "service" means
 - (ii) any service as defined in section 2, clause (e) 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.

3. To up-date a cross-reference.

Section 3 (1) reads as follows:

- 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 51, subsection (1) of The Legislative Assembly Act and at the rate of 7½ per cent of the allowance so payable to him thereafter.

4. These amendments relate this Act to The Public Service Management Pension Act, include service as a teacher, reduce the period of pensionable service required and allow for full formula pension at 55. These amendments coincide with similar provisions in The Public Service Management Pension Act.

Section 4 (2) and (3) read as follows:

- (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.
- (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 21 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.

- (a) if his age is then 55 years or more, a normal pension in an amount equal to 4 per cent of
 - (i) the average annual allowance payable to him under *The Legislative Assembly Act*, where his years of service do not exceed three years, or
 - (ii) 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 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 lesser, or at his option, an alternative pension as prescribed by section 21 of *The Public Service Management Pension Act*, or
- (b) if his age is less than 55 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 55 years, as determined by the actuarial tables that are approved by the Board for that purpose.

5. *Section 7 is amended*

- (a) *as to subsection (1) by striking out the words “, subsection (1) or (2)”*,
- (b) *as to subsection (3) by striking out the words “, subsection (1)”*.

6. *Section 8 is amended by striking out subsection (2) and by substituting the following:*

(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 subsequently acquires the pensionable service required for a pension under Part 1 is then entitled to receive

- (a) if his age is then 55 years or more, a normal pension in an annual amount equal to 4 per cent of
 - (i) his average annual salary under section 55 of *The Legislative Assembly Act*, where his years of service do not exceed three years, or

5. To up-date cross-references. Section 7 (1) and (3) read as follows:

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 55, subsection (1) or (2) of The Legislative Assembly Act and at the rate of 7½ per cent of the annual compensation so payable to him thereafter.

(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 55, subsection (1) 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.

6. This amendment will allow full formula pension at age 55 to coincide with The Public Service Management Pension Act. Section 8 (2) presently reads as follows:

(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

(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 55, subsection (1) or (2) of The Legislative Assembly Act, where his years of service do not exceed three years, or

(ii) his average annual income under section 55, subsection (1) or (2) 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 21 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.

- (ii) his average annual salary under section 55 of *The Legislative Assembly Act* for the three consecutive years of his service during which that salary 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 lesser, or at his option, an alternative pension as prescribed by section 21 of *The Public Service Management Pension Act*, or
- (b) if his age is then less than 55 years, a pension that is the actuarial equivalent of 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 55 years, as determined by the actuarial tables that are approved by the Board for that purpose.

7. Section 9 is amended by striking out subsection (4).

8. Section 11, subsection (1) is amended by striking out the words "section 51, subsections (2), (3) and (4)" and by substituting the words "section 51.1, subsections (1) and (2)".

9. Section 12, subsection (4) is amended

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

(a) if his age is then 55 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 salary under section 51.1, subsection (1) of *The Legislative Assembly Act*, where his years of service do not exceed three years, or

(B) his average annual salary under section 51.1, subsection (1) of *The Legislative Assembly Act* for the three consecutive years of his service during which his salary was highest, where his years of service exceed three years,

(ii) in the case of the Deputy Speaker,

(A) his average annual salary under section 51.1, subsection (1) of *The Legislative Assembly Act*, where his years of service do not exceed three years, or

7. This amendment will remove subsection (4) which is now obsolete. Section 9 (4) presently reads:

(4) Where any person is, on April 1, 1970, a member of the Legislative Assembly and in receipt of a pension by virtue of having been a member of the Executive Council, his pension shall after that date be calculated on the basis set out in section 8, subsection (2).

8. To up-date a cross-reference.

9. These amendments coincide with amendments to sections 4 and 8 of the Act. Section 12 (4) presently reads:

(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 51, 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 51, 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,

(ii) in the case of the Deputy Speaker,

(A) his average annual allowance under section 51, subsection (3) of The Legislative Assembly Act where his years of service do not exceed three years, or

(B) his average annual allowance under section 51, subsection (3) 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 51, subsection (4) of The Legislative Assembly Act where his years of service do not exceed three years, or

(B) his average annual allowance under section 51, subsection (4) 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 21 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.

- (B) his average annual salary under section 51.1, subsection (1) of *The Legislative Assembly Act* for the three consecutive years of his service during which his salary 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 salary under section 51.1, subsection (2) of *The Legislative Assembly Act* where his years of service do not exceed three years, or
 - (B) his average annual salary under section 51.1, subsection (2) of *The Legislative Assembly Act*, for the three consecutive years of his service during which his salary 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 lesser, or, at his option, an alternative pension as prescribed by section 21 of *The Public Service Management Pension Act*,
 or
 - (b) in clause (b) by striking out the figure "60" wherever it appears and by substituting the figure "55".
10. Section 15 is amended by adding after the word "Service" the word "Management".
11. Section 16, subsection (2) is amended
- (a) as to clause (b) by adding after the figure "17" the word ", or",
 - (b) by adding the following clause after clause (b):
 - (c) the date a former member becomes entitled to deferred pension payments.
12. Section 17 is amended
- (a) by striking out subsection (3) and by substituting the following:
 - (3) Where the beneficiary of a deceased member is
 - (a) the surviving spouse of that member, or
 - (b) a dependent child under the age of 18 years,
 the beneficiary is also entitled to receive a further sum equal to the amount standing to the credit of

10. Section 15 reads as follows:

15. 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.

11. This amendment will allow interest to continue to be credited where a former member elects a deferred pension. This coincides with The Public Service Management Pension Act. Section 16, subsection (2) presently reads as follows:

(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 17.

12. The new subsection (3.1) is for purposes of clarification. Section 17, subsections (3) and (4) read as follows:

(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 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.

(4) Where a person was, at the time of his death, eligible for a pension in respect of which he had been contributing under this Act, and where the beneficiary is his widow or her 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).

the account of the deceased, but that sum shall not exceed an amount that is equal to the accumulated contributions that were paid at the rates set pursuant to section 3, 7, or 11 together with interest thereon.

(b) *by adding the following subsection after subsection (3):*

(3.1) Notwithstanding subsection (3), no payment to a beneficiary pursuant to that subsection shall be in an amount greater than the share which is otherwise payable to that beneficiary.

(c) *as to subsection (4)*

(i) *by striking out the words "his widow or her widower" and by substituting the words "the spouse",*

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

(a) a pension of the same amount as would have been payable if the member immediately before his death had retired and had been entitled to exercise and had exercised the option given of receiving a pension during the joint lives of himself and his spouse and during the life of the survivor,
or

13. This Act comes into force on January 1, 1976.