

1980 BILL 86

Second Session, 19th Legislature, 29 Elizabeth II

THE LEGISLATIVE ASSEMBLY OF ALBERTA

BILL 86

THE PENSION FUND ACT

THE PROVINCIAL TREASURER

First Reading

Second Reading

Committee of the Whole

Third Reading

Royal Assent

BILL 86

1980

THE PENSION FUND ACT

(Assented to _____, 1980)

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

- 1(1) There is hereby established a fund called the Pension Fund.
- (2) The Provincial Treasurer shall hold and administer the Pension Fund in accordance with this Act.
- (3) The Provincial Treasurer shall establish and maintain a separate accounting record of the Pension Fund.
- (4) The Provincial Treasurer may, on behalf of the Pension Fund, be a depositor in the Consolidated Cash Investment Trust Fund.

2(1) As soon as practicable after the commencement of this Act, there shall be transferred from the General Revenue Fund to the Pension Fund the sum of \$1 100 000 000.

(2) The amount transferred pursuant to subsection (1) may be transferred in the form of cash or other assets, but where assets other than cash are to be transferred the Treasury Board shall, before any transfer is made, approve

- (a) the assets to be transferred,
- (b) the manner in which the transfer is to be made, and
- (c) the valuation of the assets or the method by which the assets are to be valued,

and the Treasury Board may impose any conditions relating to the transfer that it considers necessary.

(3) The income of the Pension Fund accrues to and forms part of the Pension Fund.

Explanatory Notes

1 Establishment of Pension Fund.

2 Transfer of cash or other assets to Pension Fund.

3(1) The Provincial Treasurer has the same powers of investment and to make loans with respect to the Pension Fund that he has with respect to the General Revenue Fund under Part 5 of *The Financial Administration Act, 1977*.

(2) In addition to the powers of investment under subsection (1), the Provincial Treasurer may make loans from the Pension Fund on the security of the pledge of investments or securities owned by the borrower of any of the classes enumerated in section 49(1) of *The Financial Administration Act, 1977* having a market value at least equal to the amount loaned.

4(1) In addition to the powers of investment under section 3, the Provincial Treasurer may invest not more than 7% of the value at cost of the assets of the Pension Fund in

(a) investments and loans that are within the classes of investments and loans permitted by section 3, notwithstanding that those investments do not meet the financial tests imposed by section 63(1) of the *Canadian and British Insurance Companies Act* (Canada), and

(b) any classes of investments and loans that may be approved from time to time by the Lieutenant Governor in Council.

(2) In calculating the total value at cost of assets that may be invested in the investments and loans under subsection (1), no investments or loans that are or at any time since acquisition have been eligible under section 3 shall be included.

5(1) In this section, “pension Acts” means:

(a) *The Local Authorities Pension Act*,

(b) *The M.L.A. Pension Act*,

(c) *The Public Service Management Pension Act*,

(d) *The Public Service Pension Act*,

(e) *The Special Forces Pension Act*, and

(f) *The Universities Academic Pension Act*.

(2) The Provincial Treasurer shall deposit all money received by him pursuant to the pension Acts in the General Revenue Fund and shall transfer that money to the Pension Fund in accordance with subsection (4).

(3) The Provincial Treasurer shall advance money from the General Revenue Fund to make all payments required under the pension Acts

3 General investment powers.

4 Special investment powers.

5 Transfer of money between General Revenue Fund and Pension Fund.

and shall, in accordance with subsection (4), transfer money from the Pension Fund to the General Revenue Fund to cover payments under this subsection.

(4) As soon as practicable after the end of each month, the Provincial Treasurer shall

(a) determine the amount received by him pursuant to the pension Acts,

(b) determine the amount paid out by him pursuant to the pension Acts,

(c) transfer from the General Revenue Fund to the Pension Fund the sum, if any, by which the amount referred to in clause (a) exceeds the amount referred to in clause (b), and

(d) transfer from the Pension Fund to the General Revenue Fund the sum, if any, by which the amount referred to in clause (b) exceeds the amount referred to in clause (a).

(5) If, because of insufficient assets in the Pension Fund, the Provincial Treasurer is unable to transfer money from the Pension Fund to the General Revenue Fund under subsection (4)(d), then the payments required under the pension Acts shall be paid from the General Revenue Fund to the extent of the amount of that insufficiency of assets and shall form a charge on the General Revenue Fund.

(6) No interest is payable with respect to any money transferred pursuant to subsection (4).

(7) Except for money paid out pursuant to subsection (5), the money received by the Provincial Treasurer and deposited in the General Revenue Fund for subsequent transfer to the Pension Fund and the advances made from the General Revenue Fund for subsequent reimbursement from the Pension Fund shall not be recorded as revenues or expenditures in the accounts of the General Revenue Fund.

6 The fiscal year of the Pension Fund is the period from April 1 in one year to March 31 next following.

7 The Provincial Treasurer shall, as soon as practicable after the end of each fiscal year of the Pension Fund, prepare a report summarizing the transactions and affairs of the Pension Fund during the preceding fiscal year and shall lay a copy of it before the Legislative Assembly, if it is then sitting, and if it is not then sitting, within 15 days after the commencement of the next ensuing sitting.

8 *The Financial Administration Act, 1977 is amended in section 50(a) by adding “, The Pension Fund Act” after “this Act*

6 Fiscal year.

7 Annual report.

8 Consequential amendment to chapter 68 of the Statutes of Alberta, 1977.

9 *The Local Authorities Pension Act is amended*

(a) *in section 4(2) by striking out “and shall be deposited by him in, and be accounted for as part of the General Revenue Fund”;*

(b) *in section 5(2) by striking out “out of the General Revenue Fund”;*

(c) *in section 6.1(1) by striking out “out of any appropriation available for the purpose”;*

(d) *in section 7(1)(b) by striking out “in the General Revenue Fund”;*

(e) *in section 9(c) by striking out “into the General Revenue Fund” and substituting “to the Provincial Treasurer”;*

(f) *in section 10(a) by striking out “into the General Revenue Fund” and substituting “to the Provincial Treasurer”;*

(g) *by adding the following after section 11:*

11.1 Any amounts required to be paid to the Provincial Treasurer or by the Provincial Treasurer under this Act shall be administered and accounted for in accordance with *The Pension Fund Act*.

10 *The M.L.A. Pension Act is amended*

(a) *in section 3*

(i) *in subsection (1) by striking out “contribute to the General Revenue Fund” and substituting “make contributions to the Provincial Treasurer”;*

(ii) *in subsection (2) by striking out “and upon payment into the General Revenue Fund shall be accounted for as part of the General Revenue Fund”;*

(iii) *by adding the following after subsection (2):*

(2.1) The Government of Alberta shall make contributions to the Provincial Treasurer on and after April 1, 1981, at the rate of 7.5% of the allowance of each member of the Legislative Assembly.

(iv) *by repealing subsection (5) and substituting the following:*

(5) The Board shall keep a separate account of the contributions made in respect of each member of the

9 Consequential amendment to chapter 219 of the Revised Statutes of Alberta 1970.

10 Consequential amendments to chapter 240 of the Revised Statutes of Alberta 1970.

Legislative Assembly by the member of the Legislative Assembly and by the Government of Alberta and the Board shall credit interest to the account of each member at the rate and in the manner prescribed in section 16.

(b) *in section 5(1) by striking out “in the General Revenue Fund”;*

(c) *in section 7*

(i) *in subsection (1) by striking out “contribute to the General Revenue Fund” and substituting “make contributions to the Provincial Treasurer”;*

(ii) *in subsection (2) by striking out “and upon payment into the General Revenue Fund shall be accounted for as part of the General Revenue Fund”;*

(iii) *by adding the following after subsection (2):*

(2.1) The Government of Alberta shall make contributions to the Provincial Treasurer on and after April 1, 1981, at the rate of 7.5% of the annual compensation of each member of the Executive Council.

(iv) *by repealing subsection (5) and substituting the following:*

(5) The Board shall keep a separate account of the contributions made in respect of each member of the Executive Council by the member of the Executive Council and by the Government of Alberta and the Board shall credit interest to the account of each member of the Executive Council at the rate and in the manner prescribed in section 16.

(d) *in section 9(1) by striking out “in the General Revenue Fund”;*

(e) *in section 11*

(i) *in subsection (1) by striking out “contribute to the General Revenue Fund” and substituting “make contributions to the Provincial Treasurer”;*

(ii) *in subsection (2) by striking out “and upon payment into the General Revenue Fund shall be accounted for as part of the General Revenue Fund”;*

(iii) *by adding the following after subsection (2):*

(2.1) The Government of Alberta shall make contributions to the Provincial Treasurer on and after April 1 1981, at the rate of 7.5% of the allowance of the Speaker

Deputy Speaker and the recognized leader of Her Majesty's loyal opposition.

(iv) *by repealing subsection (6) and substituting the following:*

(6) The Board shall keep a separate account of the contributions made in respect of the Speaker, Deputy Speaker and the recognized leader of Her Majesty's loyal opposition by those respective persons and by the Government of Alberta and the Board shall credit interest to the account of the Speaker, Deputy Speaker and recognized leader of Her Majesty's loyal opposition at the rate and in the manner prescribed in section 16.

(f) *in section 13(1) by striking out "in the General Revenue Fund";*

(g) *by adding the following after section 17:*

17.1 Any amounts required to be paid to the Provincial Treasurer or by the Provincial Treasurer under this Act shall be administered and accounted for in accordance with *The Pension Fund Act*.

(h) *in the following provisions by striking out "into the General Revenue Fund" and substituting "to the Provincial Treasurer":*

section 3(3);
section 6(b);
section 7(3);
section 10(b);
section 11(4);
section 14.

11 *The Public Service Management Pension Act is amended*

(a) *by repealing section 1(d);*

(b) *in subsection 5(1) by striking out "contribute to the Fund" and substituting "make contributions to the Provincial Treasurer";*

(c) *by adding the following after section 5:*

5.1 Subject to the other provisions of this Act, the employer shall make contributions to the Provincial Treasurer on and after April 1, 1981, at the rate of 9% of the salary of each employee.

11 Consequential amendments to chapter 81 of the Statutes of Alberta, 1972.

(d) in section 6

(i) in subsection (1) by striking out “shall be remitted to the Board, who shall credit the contributions to the Fund” and substituting “paid to the Provincial Treasurer”;

(ii) by repealing subsection (2) and substituting the following:

(2) The Board shall keep a separate account of the contributions made in respect of each employee by the employee and the employer.

(e) by repealing section 8(1);

(f) in section 17 by striking out “from the Fund”;

(g) in section 23 by striking out “out of the Fund”;

(h) in section 24(1) by striking out “out of any appropriation available for the purpose”;

(i) in section 29(1) by striking out “and had left on deposit in the Fund the amount he would be entitled to withdraw”;

(j) in section 32(1) by striking out “in the Fund or the interest of an employee”;

(k) in section 34(3)

(i) in clause (a) by striking out “from the Fund”;

(ii) in clause (b) by striking out “Fund” and substituting “Provincial Treasurer”;

(l) by adding the following after section 37:

37.1 Any amounts required to be paid to the Provincial Treasurer or by the Provincial Treasurer under this Act shall be administered and accounted for in accordance with *The Pension Fund Act*.

(m) in the following provisions by striking out “into the Fund” and substituting “to the Provincial Treasurer”:

section 15(1)(c) and (e);
section 16;
section 36(2).

12 *The Public Service Pension Act is amended*

(a) in section 5(1) by striking out “General Revenue Fund to be accounted for as part of the General Revenue Fund” and

12 Consequential amendment to chapter 299 of the Revised Statutes of Alberta 1970.

substituting “Provincial Treasurer”;

(b) by adding the following after section 5:

5.1 Subject to the other provisions of this Act, the employer shall make contributions to the Provincial Treasurer on and after April 1, 1981, at the rate of 5% of the salary of each employee.

(c) in section 6

(i) in subsection (1) by striking out “, who shall credit the contributions to the General Revenue Fund”;

(ii) by repealing subsection (2) and substituting the following:

(2) The Board shall keep a separate account of the contributions made in respect of each employee by the employee and the employer.

(d) by repealing section 8(1);

(e) in section 8.1(1) by striking “out of any appropriation available for the purpose”;

(f) in section 14(1)(c), (e) and (4) by striking out “into the Fund” and substituting “to the Provincial Treasurer”;

(g) in section 15 by striking out “into the General Revenue Fund” and substituting “to the Provincial Treasurer”;

(h) in section 16 by striking out “from the General Revenue Fund”;

(i) in section 23 by striking out “out of the General Revenue Fund”;

(j) in section 28(1) by striking out “and had left on deposit in the General Revenue Fund the amount he would be entitled to withdraw”;

(k) in section 31(1) by striking out “in the General Revenue Fund or the interest of an employee or former employee”;

(l) in section 35(3)

(i) in clause (a) by striking out “from the General Revenue Fund”;

(ii) in clause (b) by striking out “General Revenue Fund” and substituting “Provincial Treasurer”;

(m) in section 36

(i) in subsection (3) by striking out “and paid into the General Revenue Fund”;

(ii) in subsection (4) by striking out “contribute to the General Revenue Fund” and substituting “make contributions to the Provincial Treasurer of”;

(n) in sections 38(2) and 39(2) by striking out “into the General Revenue Fund” and substituting “to the Provincial Treasurer”;

(o) by adding the following after section 41:

41.1 Any amounts required to be paid to the Provincial Treasurer or by the Provincial Treasurer under this Act shall be administered and accounted for in accordance with *The Pension Fund Act*.

13 *The Special Forces Pension Act is amended*

(a) in section 1

(i) by repealing clause (d);

(ii) in clause (f)(iv) by striking out “on deposit in the Fund” and substituting “in the account kept by the Board under section 6(2)”;

(b) in section 6

(i) by repealing subsection (1) and substituting the following:

(1) The contributions referred to in section 5 shall be paid to the Provincial Treasurer within 15 days after the end of the month.

(ii) by repealing subsection (2) and substituting the following:

(2) The Board shall keep a separate account of the contributions made in respect of each member by the member and the local authority.

(c) by repealing section 8(1);

(d) in section 14(1)(b) and (e) by striking out “into the Fund” and substituting “to the Provincial Treasurer”;

(e) in section 15 by striking out “into the Fund” and substituting “to the Provincial Treasurer”;

13 Consequential amendments to chapter 72 of the Statutes of Alberta, 1978.

- (f) *in section 16 by striking out “from the Fund”;*
- (g) *in section 19(5) by striking out “from the Fund” and substituting “by the Provincial Treasurer”;*
- (h) *in section 22 by striking out “out of the Fund”;*
- (i) *in section 23 by striking out “out of a supply vote available for the purpose”;*
- (j) *in section 26(8) by striking out “from the Fund” and substituting “by the Provincial Treasurer”;*
- (k) *in section 30(1) by striking out “in the Fund or”;*
- (l) *in section 35 by striking out “and deposited in the Fund”;*
- (m) *by adding the following after section 35:*

35.1 Any amounts required to be paid to the Provincial Treasurer or by the Provincial Treasurer under this Act shall be administered and accounted for in accordance with *The Pension Fund Act*.

14 *The Universities Academic Pension Act is amended*

- (a) *in section 1*
 - (i) *by repealing clause (c);*
 - (ii) *in clause (e)(iii) by striking out “left his contributions on deposit in the Fund” and substituting “contributions in the account kept by the Board under section 5(2)”;*
- (b) *in section 5*
 - (i) *in subsection (1) by striking out “Board” and substituting “Provincial Treasurer”;*
 - (ii) *by repealing subsection (2) and substituting the following:*
 - (2) The Board shall keep a separate account of the contributions made in respect of each member by the member and the University.
- (c) *by repealing section 8(1);*
- (d) *in section 13(1)(f) and (g) by striking out “into the Fund” and substituting “to the Provincial Treasurer”;*
- (e) *in section 14 by striking out “into the Fund” and substituting*

14 Consequential amendments to chapter 36 of the Statutes of Alberta, 1978.

“to the Provincial Treasurer”;

(f) in section 15 by striking out “from the Fund”;

(g) in section 20 by striking out “out of the Fund”;

(h) in section 21 by striking out “out of a supply vote available for the purpose”;

(i) in section 28

(i) in subsection (1) by striking out “in the Fund or”;

(ii) in subsection (3) by striking out “the Fund or from”;

(j) in section 30 by striking out “and deposited in the Fund”;

(k) in section 31(2)(a) by striking out “from the Fund”;

(l) in section 36(1), (2) and (3) by striking out “into the Fund” and substituting “to the Provincial Treasurer”;

(m) by adding the following after section 36:

36.1 Any amounts required to be paid to the Provincial Treasurer or by the Provincial Treasurer under this Act shall be administered and accounted for in accordance with *The Pension Fund Act*.

(n) in section 39(1) by striking out “from the Fund”;

(o) in the following provisions by striking out “Fund” and substituting “Provincial Treasurer”:

section 4(1) and (2);
section 6(1);
section 31(2)(b);
section 40.

15 This Act comes into force on a date or dates to be fixed by Proclamation.