

1992 BILL 48

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Fourth Session, 22nd Legislature, 41 Elizabeth II

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THE LEGISLATIVE ASSEMBLY OF ALBERTA

# BILL 48

**TEACHERS' RETIREMENT FUND  
AMENDMENT ACT, 1992**

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THE MINISTER OF EDUCATION

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First Reading .....

Second Reading .....

Committee of the Whole .....

Third Reading .....

Royal Assent .....

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## BILL 48

1992

### TEACHERS' RETIREMENT FUND AMENDMENT ACT, 1992

(Assented to \_\_\_\_\_, 1992)

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

*1 The Teachers' Retirement Fund Act is amended by this Act.*

*2 Section 1 is amended*

*(a) by adding the following after clause (c):*

(c.1) "plan member" means a person who has made contributions to the Fund and has a right to receive any money, whether at the present or in the future, from the Fund;

*(b) in clause (g)*

*(i) in subclause (i)*

*(A) by striking out "the school committee";*

*(B) by striking out "and" at the end and substituting "or";*

*(ii) in subclause (ii)*

*(A) by repealing paragraph (A);*

## Explanatory Notes

**1** This Bill will amend chapter T-2 of the Revised Statutes of Alberta 1980, which includes amendments made by the amending Regulation Alta. Reg. 13/92. The latter amendments will be continued in force and validated by section 1 of the Pension Statutes Amendment and Miscellaneous Provisions Act, 1992.

**2** Section 1 presently reads in part:

*1 In this Act,*

*(g) "school board" means*

*(i) the board of trustees of a school district, division or regional district, the board of education of a county or the school committee of a city or town whose administration has been merged under the Municipal and School Administration Act, and includes the trustees of the Lloydminster Public School Division and the Lloydminster Roman Catholic Separate School Division, and*

*(ii) any corporation approved for the purpose by the Minister*

*(A) whose object is the advancement of public secular education by television programs,*

*(B) in paragraph (B) by striking out  
“or universities under the  
Universities Act,”;*

*(c) in clause (h)*

*(i) by adding “under a contract of  
employment” after “is employed”;*

*(ii) by adding the following after subclause  
(ii):*

*(ii.1) by a public college under the  
Colleges Act,*

*(iii) in subclause (iv) by striking out “or by the  
Board on a full time basis” and substituting  
“, by a local of that Association or by the  
Board”;*

*(d) by repealing clause (i).*

(B) *the members of which are school boards as defined in subclause (i), or universities under the Universities Act, or boards of governors of public colleges incorporated under the Colleges Act, or the Government of Alberta by a designated representative, or any one or more or combination of them,*

(C) *whose directors are themselves trustees or governors or officers or administrative employees of constituent members appointed for the purpose, or any combination thereof, and*

(D) *whose programs and plans for that education are approved by the Minister*

*and in each case only during the currency of those approvals;*

(h) *"teacher" means a person holding a permanent or temporary certificate of qualification as a teacher issued by the Minister of Education under the Department of Education Act who is employed*

(i) *pursuant to Division 1 of Part 4 of the School Act, if the holding of the certificate of qualification is a condition of his employment,*

(ii) *by a school board as a superintendent, or a supervisor or in any other position the duties of which include administrative or supervisory jurisdiction over teaching or the curriculum of its schools,*

(iii) *by a school board in any position, not included in subclauses (i) and (ii), if it is a condition of his employment imposed by the school board that he hold a certificate of qualification as aforesaid, and the condition is approved by the Board, or*

(iv) *by The Alberta Teachers' Association or by the Board on a full-time basis;*

(i) *"university teacher" means person holding a permanent or temporary certificate of qualification as a teacher issued by the Minister of Education under the Department of Education Act who is employed by the board of governors of a university under the Universities*

3 *Section 3 is amended by adding the following after subsection (3):*

(4) At the request of the Board, the Lieutenant Governor in Council may by regulation amend subsection (1)(a) and (b) by providing for an 8-member Board with 4 members appointed under subsection (1)(a) and 4 under subsection (1)(b).

4 *Section 4 is amended by adding "who was appointed under section 3(1)(b)" after "number".*

5 *Section 6 is amended by renumbering it as section 6(1) and by adding the following after subsection (1):*

(2) Notwithstanding subsection (1), where the Board's membership has been expanded pursuant to section 3(4), 5 members of the Board constitute a quorum.

6 *Section 10 is amended by striking out "contributor" and substituting "plan member".*

7 *Section 11 is amended*

(a) *in subsection (1) by striking out "Board" and substituting "Fund";*

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

(3) The report must include an estimate of the actuarial liabilities of the Fund as reported in the most recent actuarial valuation report and an estimate of the unfunded liabilities of the Fund as of the date of the report.

*Act as a full-time member of the academic staff of the university.*

**3** Expansion of Board to 8 members. Section 3(1) reads:

*3(1) The Board shall be composed of*

- (a) 3 persons who shall be appointed by the Lieutenant Governor in Council to hold office during pleasure, and*
- (b) 3 teachers nominated by The Alberta Teachers' Association and appointed by the Lieutenant Governor in Council for a term of 4 years each or until their respective successors are appointed subject to revocation of the appointment for cause.*

**4** Section 4 presently reads:

*4 The members of the Board shall elect one of their own number to be chairman and shall determine the term for which he shall hold office.*

**5** Section 6 presently reads:

*6 Four members of the Board constitute a quorum.*

**6** Section 10 presently reads:

*10 A separate record of the payments into the Fund made by or in respect of each contributor shall be kept by the Board for so long as is reasonably required in the due administration of the Fund and the payment of benefits.*

**7** Composition of annual report to the Minister.

**8 Section 12 is repealed and the following is substituted:**

Administration  
costs

**12** The costs of administration of the Fund and all matters relating to it shall be borne by and paid out of the Fund.

**9 Section 13 is amended**

- (a) by renumbering it as section 13(1);*
- (b) in subsection (1) by striking out “survey”, wherever it occurs, and substituting “valuation”;*
- (c) by adding the following after subsection (1):*
  - (2)** Within a reasonable time following the actuarial valuation, the Board shall forward the results of the valuation and a report to the Minister.

**10 Sections 14 and 15 are repealed.**



**8** Section 12 presently reads:

*12 The costs of administration of the Fund and all matters relating to it shall be borne by and paid out of the Fund, but from and after July 1, 1971, the Government shall bear one half of the costs of administration of the Fund and the Provincial Treasurer shall pay over to the Fund each month its share of the costs for the previous month.*

**9** Section 13 presently reads:

*13 The Board shall cause an actuarial survey of the Fund, including a separate survey in relation to private schools, to be made not less than once in every 3 years.*

**10** Sections 14 and 15 presently read:

*14(1) Payments that are made by the Board from the Fund, pursuant to this Act and the by-laws of the Board, shall be repaid to the Board by the Provincial Treasurer to the following extent:*

- (a) pension payments and disability allowances to persons who first became entitled thereto before April 1, 1948, shall be repaid in full;*
- (b) pension payments and disability allowances to persons who first became entitled thereto on or after April 1, 1948, shall to the extent that they represent pensionable service before September 1, 1939, be repaid in full and to the extent that they represent pensionable service on or after September 1, 1939, be repaid in half the amount but, with respect to any increase in pension payments pursuant to a by-law of the Board filed as Alberta Regulation 330/68*

*(i) to a person who retired prior to July 1, 1959, or to a survivor of that person, or*

*(ii) to a spouse of a teacher who died prior to July 1, 1959,*

*the amount of the increase shall be repaid in full;*

*11 Section 16 is amended*

(a) *in subsection (1) by striking out “is not less than 3% of the teacher’s salary and that, in respect of a calendar year, does not exceed the lesser of 7% of the teacher’s salary for the year and” and substituting “, in respect of a calendar year, does not exceed”;*

(b) *by adding the following after subsection (1.1):*

(1.2) The Government shall pay current service contributions to the Fund with respect to teachers in accordance with this section.

(1.3) The Board shall, within a reasonable time after receiving each actuarial valuation report, make by-laws, following the actuary’s recommendations in the report, adjusting the Government’s and the teachers’ current service contribution rates with

- (c) *the amounts charged to the reserve account pursuant to section 41(1) shall be repaid in full;*
- (d) *the amounts in excess of teachers' contributions and interest on them which are transferred to other pension authorities pursuant to an approved agreement or arrangement shall be repaid in full;*
- (e) *that portion of the costs of any specific or general adjustments in the amount of pensions authorized by the Lieutenant Governor in Council and attributed to the Government in the order made pursuant to section 37 shall be repaid.*

(2) *Subject to section 15, the Provincial Treasurer shall, out of money voted by the Legislature for the purpose, pay over to the Board at the end of each month the amount required to be repaid under subsection (1) in respect of payments made during that month.*

*15(1) The money that the Lieutenant Governor in Council has paid since April 1, 1948, to school boards and that has been remitted by or on behalf of those school boards to the Board for deposit in the Fund, together with the interest that the money has earned, shall, in so far as the money and interest exceeds the amount that the Provincial Treasurer would have paid under section 14(1)(b) had that clause been in force on and after April 1, 1948, instead of the provisions by which the money was paid by the Lieutenant Governor in Council, be placed in a reserve account.*

(2) *The Board shall take from the reserve account the money payable under section 14 by the Provincial Treasurer, so that no money shall be paid by the Provincial Treasurer under section 14 until the reserve account, together with the interest that the money has earned, is exhausted.*

**11** Section 16(1) and (2) presently read:

*16(1) Every teacher shall contribute to the Fund such amount as the Board prescribes by by-law, being an amount that is not less than 3% of the teacher's salary and that, in respect of a calendar year, does not exceed the lesser of 7% of the teacher's salary for the year and the sum of \$1000 plus 70% of the teacher's pension credit, within the meaning of the tax rules, for the year.*

(2) *Notwithstanding subsection (1), no contributions shall be made by a teacher referred to in section 81 of the School Act.*

respect to teachers if necessary to comply with subsection (1.4).

**(1.4)** The current service costs of that portion of the Fund that relates to teachers are to be met by current service contributions paid by the teachers and by the Government.

**(1.5)** Subject to subsection (1.6), the Board shall set the Government's and the teachers' current service contribution rates so that

- (a) together they are sufficient to cover
  - (i) the current service costs, and
  - (ii) amortization of actuarial gains or losses in respect of service after August 31, 1992 over a period determined by the Board,

so far as they relate to teachers, and

- (b) the aggregate amounts payable by
  - (i) all the teachers, and
  - (ii) by the Government,

are equal.

**(1.6)** In setting the Government's current service contribution rates under subsection (1.5), the Board shall take no account of the portions of the current service costs that represent the costs of any benefit or any portion of a benefit the costs of which are required by this Act or the by-laws to be borne exclusively by the teachers.

**(1.7)** In this section, "current service costs" means the actuarial normal cost calculated as the present value of future benefits for all teachers currently employed divided by the present value of future salaries for those teachers, as determined by the Fund's actuary using the attained age normal actuarial cost method and as expressed in the most recent actuarial valuation report as a percentage of their salaries.



(1.8) The cost of the additional 10% rate of increase in cost-of-living adjustment referred to in section 37(1)(b) is to be met exclusively by current service contributions made by teachers.

(1.9) Subsections (1.2) to (1.8) do not apply with respect to the portion of the Fund that relates to private schools and private school teachers.

(c) *by repealing subsection (2) and substituting the following:*

(2) Contributions may be made by a person referred to in section 81(1) of the *School Act* only by way of a purchase of a 200-day block of service (whenever that service occurred) in that capacity.

(2.1) Notwithstanding subsection (2), a person referred to in that subsection may contribute on the basis of purchasing service of any duration if the purchase occurs in the year in which the pension commences.

(2.2) The Government shall pay contributions in respect of service purchased under subsection (2) or (2.1) in an amount equal to the person's contributions but without taking into account, in respect of service accumulated after August 31, 1991, the portions of the current service costs specified in subsection (1.6).

(2.3) Purchases under subsections (2) and (2.1) are subject to the tax rules and the costs of the service purchased shall be as determined by the Board.

(d) *by adding the following after subsection (4):*

(5) The Provincial Treasurer shall, out of money appropriated by the Legislature for the purpose, pay into the Fund at the end of each month one twelfth of the contributions that the Government is required to pay on a periodic basis in one year.

12 *The following is added after section 16:*

**12** Unfunded liability and additional contributions for meeting it.

Unfunded  
liability for  
pre-September  
1992 service,  
and additional  
contributions

**16.1(1)** This section applies only with respect to the unfunded liability of the portion of the Fund that relates to teachers and in respect of pensionable service that was recognized as such as at August 31, 1992.

(2) The unfunded liability is to be met, in accordance with this section, by the imposition of additional contributions.

(3) The Board shall ensure that a separate accounting is made and maintained in respect of the unfunded liability, including the application of the additional contributions.

(4) The initial amount of the unfunded liability is the amount determined by the Fund's actuary to be the difference between

- (a) the actuarial present value of the total liabilities of the portion of the Fund referred to in subsection (1) arising from pensionable service that was recognized as such as at August 31, 1992, and
- (b) the assets of that portion of the Fund as at August 31, 1992.

(5) The Board shall have

- (a) the unfunded liability, and
- (b) the aggregate amount of the annual additional contributions required in the years before the next actuarial valuation in order to ensure the elimination of the unfunded liability on or before August 31, 2060,

re-determined by the Fund's actuary at every actuarial valuation and the Board shall make by-laws establishing the amount referred to in clause (b) as so determined.

(6) The additional contributions to be paid annually to the Fund are

- (a) by the teachers, based, as to individuals, proportionately on their salaries, additional contributions in the aggregate amount of 32.65% of the total required, and





- (b) by the Government, additional contributions in the aggregate amount of 67.35% of the total required.

(7) In subsection (6), “total required” means the aggregate amount of the annual additional contributions required, as established by by-laws made under subsection (5).

(8) Subject to this section, the Government has no liability in respect of the Fund’s unfunded liability.

Contributions  
by other  
persons

**16.2** Current service contributions and additional contributions respectively shall be paid on the same basis as teachers and the Government are required to pay them under sections 16 and 16.1 by the following persons and organizations:

- (a) by the teachers employed by The Alberta Teachers’ Association and by the Government;
- (b) by the teachers employed by the Board, and by the Board itself;
- (c) by the teachers employed as referred to in section 24 and by the college employer;
- (d) by the teachers employed by a local of The Alberta Teachers’ Association as referred to in section 25 and by the employing local.

*13 Section 24(7) is repealed.*

*14 Section 25(5) is repealed.*

**13** Section 24(7) presently reads:

*(7) With every payment under subsection (6) the college board shall pay out of its funds an equal amount to the Board for the purposes of the Fund and the Board shall credit the amount to the reserve account established by section 15.*

**14** Section 25(5) presently reads:

*(5) With every payment under subsection (4) the local shall pay out of its funds an equal amount to the Board for the purposes of the Fund and the Board shall credit the amount to the reserve account established under section 15.*

15 Section 27 is amended

- (a) in subsection (1) by striking out "is not less than 3% of the teacher's salary and that, in respect of a calendar year, does not exceed the lesser of 7% of the private school teacher's salary for the year and" and substituting ", in respect of a calendar year, does not exceed";

- (b) by adding the following after subsection (1.1):

(1.2) The private school employing a private school teacher shall pay current service contributions to the Fund with respect to its private school teachers in accordance with this section.

(1.3) The Board shall, within a reasonable time after receiving each actuarial valuation report, make by-laws, following the actuary's recommendations in the report, adjusting the private school's and the private school teachers' current service contribution rates if necessary to comply with subsection (1.4).

(1.4) The current service costs of that portion of the Fund that relates to private school teachers are to be met by current service contributions paid by the private school teachers and by the private schools.

(1.5) Subject to subsection (1.6), the Board shall set the private schools' and the private school teachers' current service contribution rates so that

- (a) together they are sufficient to cover

- (i) the current service costs, and
- (ii) the amortization of actuarial gains or losses in respect of service after August 31, 1992 over a period determined by the Board,

so far as they relate to private school teachers, and

- (b) the aggregate amounts payable by

- (i) all the private school teachers, and
- (ii) by the private schools,

**15** Section 27(1) presently reads:

*27(1) Every private school teacher shall contribute to the Fund such amount as the Board prescribes by by-law, being an amount that is not less than 3% of the teacher's salary and that, in respect of a calendar year, does not exceed the lesser of 7% of the private school teacher's salary for the year and the sum of \$1000 plus 70% of the private school teacher's pension credit, within the meaning of the tax rules, for the year.*

are equal.

(1.6) In setting the private schools' current service contribution rates under subsection (1.5), the Board shall take no account of the portions of the current service costs that represent the costs of any benefit or any portion of a benefit the costs of which are required by this Act or the by-laws to be borne exclusively by the private school teachers.

(1.7) In this section, "current service costs" means the actuarial normal cost calculated as the present value of future benefits for all private school teachers currently employed divided by the present value of future salaries for those private school teachers, as determined by the Fund's actuary using the attained age normal actuarial cost method and as expressed in the most recent actuarial valuation report as a percentage of their salaries.

(1.8) The cost of the additional 10% rate of increase in cost-of-living adjustment referred to in section 37(1)(b) is to be met exclusively by current service contributions made by private school teachers.

*16 Section 28 is amended*

(a) *in subsection (3) by striking out "an equal amount, together with an additional amount equal to 2% of the salaries of its private teachers" and substituting "the amount required by section 27 to be paid by the private school";*

(b) *by repealing subsection (4) and substituting the following:*

(4) If an actuarial valuation indicates that additional contributions are required from private school teachers and private schools in order to maintain the solvency of their portion of the Fund, the Board shall by by-law levy on them additional contributions in the amount and for the period determined by the Board.

*17 Section 30 is amended*

(a) *in subsection (1) by striking out "survey" and substituting "valuation";*

**16** Section 28 presently reads in part:

*(3) With every payment under subsection (2) the private school shall pay out of its funds to the Board for the purposes of the Fund an equal amount, together with an additional amount equal to 2% of the salaries of its private teachers.*

*(4) Notwithstanding subsection (3), the Board may in its discretion at any time following an actuarial survey of the Fund, by by-law, vary the amount of the additional percentage of the salaries of private school teachers that a private school is required to pay out of its funds to the Board.*

**17** Section 30(1) and (2) presently read:

*30(1) The Board shall maintain a separate record of the contributions and the payments prescribed by sections 27 and 28*

*(b) in subsection (2)*

*(i) by repealing clauses (a) and (b);*

*(ii) by striking out “clauses (a), (b) and (c)”  
and substituting “this subsection”.*

*18 Section 34 is amended*

*(a) in subsection (1) by striking out “A person” and  
substituting “A plan member”;*

*(b) by repealing subsection (4);*

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

**(6) Notwithstanding anything in this section, the Board shall not allow any contribution to the Fund under this section if it would be detrimental to the long-term solvency of the Fund.**



*and the contributions provided for by a by-law made under section 31, adequate for the purposes of a separate actuarial survey of the Fund in relation to private schools.*

*(2) In prescribing*

- (a) the amount of contributions by private school teachers under section 27,*
- (b) the amount of the additional percentage of the salaries of private school teachers that a private school is required to pay out of its funds to the Board under section 28(4), and*
- (c) the amount of contributions in respect of previous employment provided for by a by-law made under section 31,*

*the Board shall maintain as closely as may be the actuarial solvency of that part of the Fund created by the contributions and payments described in clauses (a), (b) and (c), without regard to the guarantee provided by section 43.*

**18** Section 34 presently reads in part:

*34(1) A person who*

- (a) leaves or has left his employment as a teacher in Alberta,*
- (b) immediately thereafter is or becomes employed or engaged in*
  - (i) an occupation, service or activity approved by the Board,*
  - (ii) attending and completing a course of university studies approved by the faculty of education of a university under the Universities Act leading to an improvement in his teacher qualifications, or*
  - (iii) any consecutive combination of the employments or engagements designated in subclauses (i) and (ii),*

*and*

- (c) returns to employment*
  - (i) as a teacher in Alberta or in another province or territory of Canada in respect of which the Board has by by-law made reciprocal provision for the payment of pension, or*

*19 Section 35 is amended by striking out “teachers” and substituting “plan members”.*

*20 Section 36 is amended*

- (a) in subsection (1) by striking out “teacher” wherever it occurs and substituting “plan member”;*
- (b) in subsection (2) by striking out “teacher’s” and substituting “plan member’s”.*

*21 Section 37 is repealed and the following is substituted:*

Cost of living  
adjustments

**37(1)** Notwithstanding anything in this Act,

- (a) all amounts payable as pensions shall be increased each year at the rate of 60%, and
- (b) all amounts payable as pensions, or all portions of pensions, that are based on pensionable service occurring after 1992 shall additionally be increased each year at the further rate of 10%

- (ii) *with an authority with whom the Board has a reciprocal agreement,*

*may, when his employment or engagement under clause (b), his previous employment under clause (a) and his subsequent employment under clause (c) are continuous (except for any periods of absence that in the opinion of the Board are justified in the circumstances), apply to the Board for permission to contribute to the Fund in respect of the period designated in clause (b)(i).*

*(4) The Board shall credit to the reserve account established by section 15 one-half of the payments so made by an applicant including one-half of the payment of prescribed interest, but nevertheless it shall be taken into account on an application by the contributor for a refund of his contributions under the by-laws of the Board, and shall be subject to the payment to him in accordance with those by-laws.*

**19** Section 35 presently reads:

*35 The Board shall make provision by by-law for payment of pensions out of the Fund to teachers on retirement.*

**20** Section 36 presently reads:

*36(1) Subject to subsection (2) and to the by-laws of the Board, the normal pension payable to a teacher on his retirement shall be an amount equal to 2% of the average annual salary paid to the teacher for the 5 consecutive years of his pensionable service during which his salary was the highest, multiplied by the total number of years of his pensionable service (taking into account parts of years) accrued to the end of the calendar year in which the teacher attained the age of 71 years, and shall be for his life or a term of 5 years certain, whichever is longer.*

*(2) The Board shall adjust a teacher's normal pension, or the formula by which it is determined, to the extent that it considers proper by taking into account any adjustment made in the teacher's contributions under section 16(4), or under section 27(2) in the case of a private school teacher.*

**21** Section 37 presently reads:

*37(1) Notwithstanding anything in this Act, for the purpose of maintaining an approximate parity with the cost of living, the Lieutenant Governor in Council*

- (a) may from time to time authorize the Board to make specific or general adjustments in either or both of*

- (i) the amount of pensions, or any class of pensions, provided by this Act, and*

of the increase, if any, in the annual consumer price index for Alberta, as published by Statistics Canada.

(2) Increases under subsection (1) shall be made on the basis determined by the Board but the consumer price index increases are to have effect from January 1 of each year.

(3) Increases in pensions under subsection (1) shall be applied to the periods

(a) of pension postponement, and

(b) between the cessation of employment and the commencement of deferred pensions

under the by-laws.

(4) On the repeal of the pension adjustment regulations specified in section 29 of the *Teachers' Retirement Fund Amendment Act, 1992*, all adjustments made in pensions under those regulations or previously and under any similar regulation made in 1992 or 1993 with respect to pensions granted on or before December 1, 1992 are hereby validated, notwithstanding the repeals.

22 *Sections 38 to 42 are repealed.*

- (ii) *the amount of any retirement benefit, other than a pension, which may be granted to a teacher by the Board or some other body,*

*and*

- (b) *shall specify an effective date for the adjustments and stipulate the portion, if any, of the cost of the adjustments to be borne by the Government, the Fund or the other body.*

**22** Sections 38 to 42 presently read:

*38 Sections 39 to 42 apply only to a teacher who at the date of his retirement from teaching service*

- (a) *could not, if he had continued to be employed as a teacher until the end of the calendar year in which he attained the age of 71 years, be eligible for a pension under the by-laws of the Board, and*
- (b) *has not less than 5 full years of contributions, made before the end of the calendar year in which he attained the age of 71 years, to the credit of his separate record in the Fund.*

*39 The contributions to the Fund by a teacher after the end of the calendar year in which he attained the age of 71 years shall not be taken into account for the purposes of sections 40 to 42.*

*40(1) A teacher to whom section 38 applies shall notify the Board on his retirement from teaching service.*

23 *The following is added after section 43:*

Maximum  
benefits under  
tax rules

**43.1** The benefits payable under this Act in respect of pensionable service after 1991 are limited to the benefits or the maximum benefits allowed by the tax rules.

24 *Section 49 is amended*

(a) *in subsection (1)*

- (i) *by striking out “teacher, pensioner or contributor” and substituting “plan member or other person”;*
- (ii) *by striking out “that person” and substituting “that plan member or other person”;*
- (iii) *by repealing clause (b);*

*(2) The Board shall thereupon promptly inform the teacher of the alternative benefits he may receive under sections 41 and 42 and request his election on those benefits.*

*(3) If within 60 days thereafter the teacher has failed to exercise his election by written notice to the Board, he is entitled only to a lump sum payment in accordance with section 42.*

*41(1) When the teacher so elects, he shall be granted an annuity out of the Fund in an amount which can be purchased, at a rate fixed by the Board, by the amount standing to the credit of his separate account in the Fund at the date of his retirement or at the end of the calendar year in which he attained the age of 71 years, whichever is the earlier (after taking into account contributions required to be made in respect of salary earned up to that date), together with an equal amount contributed by the Board from the Fund, which latter amount shall be charged to the reserve account established under section 15.*

*(2) The annuity shall at the option of the teacher be*

*(a) a life annuity, or*

*(b) any other form of annuity that is approved by by-law of the Board and which is the actuarial equivalent of a pension for his life or a term of 5 years certain, whichever is the longer.*

*42 If a teacher does not elect to receive an annuity he shall in lieu of an annuity be paid out of the Fund in a lump sum the amount available for the purchase of an annuity under section 41.*

**23 Maximum benefits under tax rules.**

**24 Section 49 presently reads in part:**

*49(1) The interest that, by this Act or the by-laws of the Board, a teacher, pensioner or contributor has in the Fund or the interest of that person in any pension or other benefit or right granted thereunder*

*(a) is not subject to garnishment proceedings or attachment or seizure, or any legal process except in respect of a charge of failure to account for public money, and*

*(b) is not assignable.*

*(2) Nothing in subsection (1) prevents a pensioner from authorizing the deduction from his pension payments of premiums or other like*

(b) *by repealing subsection (2) and substituting the following:*

(2) No right of a person under the Fund may be assigned, charged, anticipated, given as security or surrendered.

(3) For the purposes of subsection (2),

(a) assignment does not include

(i) an assignment under a decree, order or judgment of a competent tribunal or a written agreement in settlement of rights arising as a consequence of the breakdown of a marriage or other conjugal relationship between an individual and the individual's spouse or former spouse, or

(ii) an assignment by the legal representative of a deceased individual on the distribution of the individual's estate,

and

(b) surrender does not include a reduction in benefits to avoid the revocation of the registration of the Fund.

*25 Section 50 is amended by striking out "teacher" and "teacher's" and substituting "plan member" and "plan member's" respectively.*

*26 Section 51 is amended by striking out "and credited to the reserve account established under section 15".*



*periodic sums for hospitalization or medical insurance or plans which are approved for this purpose by resolution of the Board.*

**25** Section 50 presently reads:

*50 A designation of beneficiary made by a teacher pursuant to the by-laws of the Board is revoked by the teacher's subsequent marriage.*

**26** Section 51 presently reads:

*51 If a person who is required by this Act or by by-law of the Board*

- (a) to furnish any information or make any return or statement in writing to the Minister or to the Board, or*
- (b) to perform any act or duty,*

27 *Section 52 is repealed.*

28 *The following is added after section 52:*

Implementa-  
tion of 1992  
Memorandum  
of  
Understanding

**53(1)** Notwithstanding anything in this Act, the Lieutenant Governor in Council may by regulation amend this Act to any extent that is considered necessary in order to give effect to a Memorandum of Understanding between the Government and The Alberta Teachers' Association dated May 29, 1992.

(2) The Board shall, as soon as practicable, amend the by-laws to any extent that is necessary to give effect to the Memorandum referred to in subsection (1) and is given all powers necessary to achieve that result.

Initial actuarial  
valuation

**54** The first actuarial valuation report based on which contribution rates are to be set under sections 16(1.3), 16.1(5) and (6) and 27(1.3) is that as of August 31, 1992 for the period following August 31, 1993.

Initial post-  
Memorandum  
contribution  
rates

**55(1)** Notwithstanding sections 16 and 16.1, contributions are payable for the period from September 1, 1992 to August 31, 1993 as follows:

(a) by the Government,

(i) current service contributions at the rate of 6.55%, and

(ii) additional contributions at the rate of 0.65%

of the salaries of all teachers;

(b) by teachers

(i) current service contributions at the rate of 6.05%, and

*refuses or neglects to furnish that information or make that return or statement or perform that act or duty, he is guilty of an offence and liable to a fine of not more than \$50, which shall be remitted to the Board and credited to the reserve account established under section 15.*

**27** Section 52 presently reads:

*52 A university teacher who, immediately before the commencement of section 1(1)(e)(iv) of the Universities Academic Pension Plan Act, was contributing to the Fund shall continue thereafter to contribute to it and this Act continues to apply to him as if sections 22 and 23 of this Act had not been repealed.*

**28** Addition of sections dealing with transitional arrangements.

- (ii) additional contributions at the rate of 0.20%

of their salaries.

(2) Notwithstanding section 27, current service contributions are payable for the period from September 1, 1992 to August 31, 1993

- (a) by the private schools at the rate of 6.55% of the salaries of all private school teachers employed by them, and
- (b) by the private school teachers at the rate of 6.05% of their salaries.

Transitional -  
short service  
annuities, etc.

**56(1)** Notwithstanding the repeal of sections 38 to 42, where a plan member was in receipt of or was entitled to receive and had applied for an annuity under section 41 immediately before September 1, 1992, he continues to be entitled to receive that annuity and has the same rights and obligations under sections 38 to 42 as if those sections had not been repealed.

(2) Sections 38 to 42 continue to apply, so far as is necessary, to a person not falling within subsection (1) but to whom section 38 applied immediately before September 1, 1992.

Re-negotiation  
of reciprocal  
transfer  
agreements

**57** The Board shall re-negotiate all existing reciprocal transfer agreements to which it is a party as soon as possible, but not later than December 31, 1995, with a view to ensuring that all transfers into and out of the Fund are at the Fund's full actuarial cost.

Savings of  
regulations

**58** The Lieutenant Governor in Council may make regulations in 1993 under section 37 (repealed by section 21 of the *Teachers' Retirement Fund Amendment Act, 1992*) as if that section had not been repealed, dealing with increases in pensions granted on or before December 31, 1992.

*29 The following regulations adjusting pensions are repealed, namely, Alberta Regulations 337/74, 15/76, 147/76, 334/76, 16/78, 13/79, 24/80, 10/81, 26/82, 547/82, 8/84, 419/84, 15/86, 404/86, 493/87, 384/88, 320/89, 386/90 and 94/92.*

**29** Repeal of pension adjustment regulations.

*30(1) Subject to this section, this Act comes into force on September 1, 1992.*

*(2) Section 1 and section 28, insofar as it adds a new section 53 to the Teachers' Retirement Fund Act, come into force on Assent or one day after Assent is given to the Pension Statutes Amendment and Miscellaneous Provisions Act, 1992, whichever is later.*

*(3) Sections 21 and 29 and section 28, insofar as it adds a new section 58 to the Teachers' Retirement Fund Act, come into force on January 1, 1993.*

*(4) Section 8 comes into force on September 1, 1993.*

*(5) Sections 23 and 24(b) are deemed to have come into force on January 1, 1992.*

**30 Commencement.**