

1992-93 BILL 62

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Fourth Session, 22nd Legislature, 42 Elizabeth II

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THE LEGISLATIVE ASSEMBLY OF ALBERTA

# BILL 62

MEMBERS OF THE LEGISLATIVE ASSEMBLY  
PENSION PLAN AMENDMENT ACT, 1993

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HON. MR. KOWALSKI

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First Reading .....

Second Reading .....

Committee of the Whole .....

Third Reading .....

Royal Assent .....

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## BILL 62

1992-93

### MEMBERS OF THE LEGISLATIVE ASSEMBLY PENSION PLAN AMENDMENT ACT, 1993

(Assented to \_\_\_\_\_, 1993)

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

*1 The Members of the Legislative Assembly Pension Plan Act is amended by this Act.*

*2 Section 11 of Schedule 1 is amended*

*(a) in subsection (2.1) by striking out “or” at the end of clause (b), by adding “, or” at the end of clause (c) and by adding the following after clause (c):*

*(d) who is in receipt of a pension in respect of his own pensionable service in respect of any office.*

*(b) by repealing subsection (3).*

*3 Section 16(c) of Schedule 1 is amended by striking out “or (3)” and substituting “(a) or (b)”.*

## Explanatory Notes

**1** These proposals would amend chapter M-12.5 of the Statutes of Alberta, 1985 (which includes amendments made by the amending Regulation (Alta. Reg. 18/92)).

**2** Schedule 1, section 11 presently reads in part:

*(2.1) Subsection (1) does not apply to a person*

*(a) after the end of the year in which the person attains the age of 71 years,*

*(b) who attained that age before 1992, or*

*(c) who, by reason of proximity to the end of the year of attaining the age of 71 years and insufficiency of accrued pensionable service, cannot accrue the pensionable service necessary to enable him to qualify for any pension.*

*(3) Subsection (1) does not apply to the holder of an office who is in receipt of a pension in respect of his own pensionable service in that office.*

**3** Schedule 1, section 16 presently reads in part:

*16 In this Part,*

*(c) "normal pension" means a pension in the actuarially unreduced amount specified in section 17(2) or (3), as the case may be, and in the form specified in section 17(5);*

4 Section 17 of Schedule 1 is amended

(a) by repealing subsections (2) and (3) and substituting the following:

(2) Subject to this section, a former officer who no longer holds any office of any description and who accumulated at least 5 years' pensionable service in or in respect of the office of member is entitled to receive a pension in an annual amount equal to

- (a) 2% of his pensionable salary for the office of member multiplied by the number of years of his pensionable service in or in respect of that office, and
- (b) if the former officer held an office other than that of member and accumulated at least one year's pensionable service in that other office, 2% of his pensionable salary for that other office multiplied by the number of years of his pensionable service in that office.

(b) in subsection (3.1)

(i) by striking out "or (3)";

(ii) by adding "former" before "officer" and "officer's" wherever they occur;

(c) in subsection (4) by striking out "or (3)".

5 Section 20(1) of Schedule 1 is amended by adding "end of the year in which he attains the" after "up to the".

6 The following is added before section 26.1 of Schedule 1:

**4** Schedule 1, section 17 presently reads in part:

*(2) Subject to this section, an officer who ceases to be a member and has accumulated at least 5 years' pensionable service in or in respect of the office of member becomes entitled to receive a pension in an annual amount equal to 2% of his pensionable salary for the office of member multiplied by the number of years of his pensionable service in or in respect of that office.*

*(3) An officer who*

*(a) ceases or has previously ceased to hold an office other than that of member,*

*(b) has accumulated at least 1 year's pensionable service in that office, and*

*(c) has accumulated at least 5 years' pensionable service in or in respect of the office of member*

*becomes entitled to receive a pension in an annual amount equal to 2% of his pensionable salary for that other office multiplied by the number of years of his pensionable service in that office.*

*(d), (e) repealed AR 18/92 s15.*

*(3.1) If, at the commencement of a pension payable under subsection (2) or (3),*

*(a) the officer has not attained the age of 60 years, and*

*(b) the aggregate of the officer's age and accrued pensionable service in the office to date does not equal at least 80 years,*

*the pension shall be reduced by  $\frac{3}{12}$  of 1% for each complete month in the period between pension commencement and the earlier of the date on which the officer will attain the age of 60 years and that on which the aggregate of his age and his pensionable service in the office up to pension commencement will equal 80 years.*

*(4) A person is not entitled to a pension under subsection (2) or (3) during any period in respect of which he receives benefits under the disability plan.*

**5** Schedule 1, section 20(1) presently reads:

*20(1) A person who is to receive a pension under section 17 may postpone commencement of the pension to any date up to the age of 71 years.*

**6** Suspension of pension.

Suspension of pension

**26.01(1)** If a former officer is in receipt of a pension and recommences the holding of an office, payment of that pension is suspended.

(2) There is to be no suspension of a pension beyond the end of the year in which the pensioner attains the age of 71 years.

7 *The following is added before section 42 of Schedule 1:*

Continuation of existing pensions and pension rights

**41.1(1)** A person who was in receipt of a pension immediately before, or who had a pension commencing not later than, the coming into force of the *Members of the Legislative Assembly Pension Plan Amendment Act, 1993* continues to be or is, subject to this Schedule, entitled to receive that pension thereafter.

(2) A person who before the coming into force of the *Members of the Legislative Assembly Pension Plan Amendment Act, 1993* had postponed a pension under section 20 and, as at that coming into force, had not yet commenced to receive that pension continues, subject to this Schedule, to be entitled to receive the same pension, with the same rights in himself and in other persons flowing through him, that would have applied had that amending Act not been enacted.

(3) Nothing in subsection (1) or (2) entitles a person who holds any office to receive any pension.

8 *Section 42(e) of Schedule 1 is repealed and the following is substituted:*

(e) respecting the suspension of pensions of pensioners who become engaged to work for an employer within the meaning of the *Public Service Management Pension Plan Act*, the *Public Service Pension Plan Act* or any other prescribed enactment and the treatment of those persons for the purposes of the Plan;

9 *The following is added after section 44 of Schedule 1:*

Transitional

**45** *Notwithstanding anything in section 17 or 41.1, the pension based on service as a member of a person who ceases to hold office as a member on, but who continues to hold another office after, the day before the date on which the Members of the Legislative Assembly Pension Plan Act,*

**7** Continuation of existing pensions.

**8** Section 42 presently reads in part:

*42 The Lieutenant Governor in Council may make regulations*

*(e) respecting the suspension of pensions of pensioners who acquire the holding of an office again and the treatment of those persons for the purposes of the Plan;*

**9** Transitional provisions.

*1993 comes into force, is payable but is suspended until the person ceases to hold any office whatever.*

*10 Section 11 of Schedule 2 is amended*

*(a) in clause (a) by striking out “, and”;*

*(b) by repealing clause (b).*

*11 Section 16(a) of Schedule 2 is amended by striking out “(3)(a)” and substituting “(c) or (3)(a) or (c)”.*

*12 Section 17 of Schedule 2 is amended by repealing subsections (1), (2) and (3) and substituting the following:*

Pension on  
ceasing to be  
an officer

**17(1)** Subject to this section, a former officer who no longer holds any office of any description and who accumulated at least 5 years’ pensionable service in or in respect of the office of member is entitled to receive

- (a) where his age at pension commencement and the length of his pensionable service in or in respect of the office of member that occurred before the coming into force of this subsection together amount to not less than 55 years, a pension in an annual amount equal to 4% of his pensionable salary for that office multiplied by the number of years of that pensionable service, or
- (b) where his age at pension commencement and the length of the pensionable service referred to in clause (a) together amount to less than 55 years, the normal pension under clause (a), but reduced in amount by  $\frac{3}{12}$  of 1% for each complete month by which the sum of his age at pension commencement and the length of that pensionable service falls short of 55 years,

and

**10** Schedule 2, section 11 presently reads:

*11 The participants of the Plan are*

- (a) those persons who are participants of the principal plan, and*
- (b) those persons who would be participants of the principal plan but only for section 11(2.1) of the principal plan.*

**11** Schedule 2, section 16 presently reads in part:

*16 In this Part,*

- (a) “normal pension” means a pension in the actuarially unreduced amount specified in section 17(1)(a) or (3)(a), as the case may be, and in the form specified in section 17(5);*

**12** Schedule 2, section 17 presently reads in part:

*17(1) An officer who ceases to be a member and has accumulated at least 5 years’ pensionable service in or in respect of the office of member becomes entitled to receive*

- (a) where his age and the length of his pensionable service in or in respect of that office together amount to not less than 55 years, a pension in an annual amount equal to 4% of his pensionable salary for that office multiplied by the number of years of his pensionable service in or in respect of that office, and*
- (b) where his age and the length of his pensionable service in or in respect of that office together amount to less than 55 years, a pension in the form of a normal pension and in an amount that is the actuarial equivalent of the pension that would be payable to him under clause (a) if his age were 55 years less the length of that pensionable service.*

*(2) An officer who*

- (a) ceases or has previously ceased to hold an office other than that of member,*
- (b) has accumulated at least 1 year’s pensionable service in that office, and*

- (c) where his age at pension commencement and the length of his total pensionable service in or in respect of the office of member together amount to not less than 65 years, a pension in an annual amount equal to 3% of his pensionable salary for that office multiplied by the number of years of his pensionable service in or in respect of that office occurring after the coming into force of this subsection, or
- (d) where his age at pension commencement and the length of his total pensionable service in or in respect of that office together amount to less than 65 years, the normal pension under clause (c), but reduced in amount by  $\frac{3}{12}$  of 1% for each complete month by which the sum of his age at pension commencement and the length of that pensionable service falls short of 65 years.

(2) Subject to this section, a former officer who

- (a) no longer holds any office of any description, and
- (b) accumulated at least
  - (i) 5 years' pensionable service in or in respect of the office of member, and
  - (ii) one year's pensionable service in an office other than that of member,

is entitled to receive a pension under subsection (3) in respect of the other office referred to in clause (b)(ii).

(3) The pension referred to in subsection (2) is

- (a) where the former officer's age at pension commencement and the length of his pensionable service in the other office that occurred before the coming into force of this subsection together amount to not less than 55 years, a pension in an annual amount equal to 4% of his pensionable salary for that other office multiplied by the number of years of that pensionable service, or
- (b) where his age at pension commencement and the length of the pensionable service referred to in clause (a) together amount to less than 55 years, the normal pension under clause (a), but reduced in amount by  $\frac{3}{12}$  of 1% for each complete month by which the sum of his age at pension commencement

- (c) *has accumulated at least 5 years' pensionable service in or in respect of the office of member*

*becomes entitled to receive a pension under subsection (3).*

*(3) The pension referred to in subsection (2) is*

- (a) *where the officer's age and the length of his pensionable service in the other office together amount to not less than 55 years, a pension in an annual amount equal to 4% of his pensionable salary for that other office multiplied by the number of years of his pensionable service in that other office, and*
- (b) *where his age and the length of his pensionable service in that other office together amount to less than 55 years, a pension in the form of a normal pension and in an amount that is the actuarial equivalent of the normal pension that would be payable to him under clause (a) if his age were 55 years less the length of that pensionable service.*

and the length of that pensionable service falls short of 55 years,

and

- (c) where the former officer's age at pension commencement and the length of his total pensionable service in the other office together amount to not less than 65 years, a pension in an annual amount equal to 3% of his pensionable salary for that other office multiplied by the number of years of his pensionable service in that other office occurring after the coming into force of this subsection, or
- (d) where his age at pension commencement and the length of his total pensionable service in that other office together amount to less than 65 years, the normal pension under clause (c), but reduced in amount by 3/12 of 1% for each complete month by which the sum of his age at pension commencement and the length of that pensionable service falls short of 65 years.

*13 The following is added after section 19 of Schedule 2:*

Pension after reaching 71

**19.1** Section 19.1(1) of the principal plan applies with respect to the Plan.

*14 Section 20 of Schedule 2 is repealed and the following is substituted:*

Postponement of pension

**20** Section 20 of the principal plan applies with respect to the Plan.

*15 The following is added after section 41 of Schedule 2:*

Continuation of existing pensions

**41.1** Section 41.1 of the principal plan applies with respect to the Plan.

*16 Section 45 of Schedule 2 is amended by renumbering it as section 45(1) and by adding the following after subsection (1):*

**13** Pension after end of year of attaining 71.

**14** Section 20 presently reads:

*20(1) A person who is to receive a pension under section 17 may postpone commencement of the pension.*

*(2) When a pension that was postponed becomes payable, it shall be in the form of a normal pension and in an amount that is the actuarial equivalent of the normal pension or the pension in the form of a normal pension that would have been payable had the postponement not been made.*

**15** Continuation of existing pensions.

**16** Transitional provisions.

*(2) Section 45 of the principal plan applies with respect to the Plan.*

*(3) Notwithstanding anything in section 17 or 41.1, the pension based on service in an office other than that of member of a person referred to in section 45 of the principal plan shall be calculated on the same basis as if the Members of the Legislative Assembly Pension Plan Amendment Act, 1993 had not been enacted.*

*(4) Subsection (3) has no application with respect to any period after the first time a Speaker is elected following the coming into force of this section.*

*17 This Act comes into force on the date specified in the next writ for an Alberta general election issued after April 21, 1993 as the date on which voting is to take place during that general election.*

**17** Coming into force.