

1992-93 BILL 66

---

Fourth Session, 22nd Legislature, 42 Elizabeth II

---

THE LEGISLATIVE ASSEMBLY OF ALBERTA

# **BILL 66**

**MEMBERS OF THE LEGISLATIVE ASSEMBLY  
PENSION PLAN AMENDMENT ACT, 1993 (NO. 2)**

---

---

HON. MR. KOWALSKI

---

---

First Reading .....

Second Reading .....

Committee of the Whole .....

Third Reading .....

Royal Assent .....

---

---

## BILL 66

1992-93

### MEMBERS OF THE LEGISLATIVE ASSEMBLY PENSION PLAN AMENDMENT ACT, 1993 (NO. 2)

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

WHEREAS it is considered beneficial to Albertans to reduce certain benefits payable under the *Members of the Legislative Assembly Pension Plan Act* and to eliminate future active participation in the Plan; and

WHEREAS it is the intent of this legislation to affect those persons who were Members of the Legislative Assembly during the 22nd Legislature or who will be elected to the Legislative Assembly in the future:

THEREFORE 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.*

#### AMENDMENTS TO SCHEDULE 1

2 *Schedule 1 is amended by sections 3 to 22 of this Act.*

3 *Section 1(1) is amended*

(a) *in clause (d) by striking out "under section 13(1)" and substituting "made under section 13(1) before its repeal";*

(b) *by repealing clause (m) and substituting the following:*

(m) "officer" means a person who holds an office, and includes a person who previously held an office;

(c) *in clause (o) by striking out "have been made under section 13 or 15" and substituting "were made under section 13 before its repeal or have been made under section 15";*

## Explanatory Notes

**1** Amends chapter M-12.5 of the Statutes of Alberta, 1985 (which includes amendment made by the amending Regulation (Alta. Reg. 18/92)).

**2** Amendments to registered plan.

**3** Schedule 1, section 1(1) presently reads in part:

*1(1) In this Schedule,*

*(d) "current service contributions" means an officer's contributions under section 13(1);*

*(m) "officer" means a person who holds or previously held an office and is a participant of the Plan by virtue of section 11;*

*(o) "pensionable service" means service in or in respect of a particular office and in respect of which contributions have been made under section 13 or 15;*

*(d) by adding the following after clause (p):*

(p.1) "plan closure" means the date specified in the next writ for an Alberta general election issued after May 4, 1993 as the date on which voting is to take place during that general election;

*(e) in clause (r) by striking out "are" and substituting "were";*

*(f) in clause (s) by adding "the following amounts, but only insofar as they were earned before plan closure:" after "means";*

*(g) in clause (t) by adding ", but does not include any period occurring after plan closure" after "body";*

*(h) in clause (u) by striking out "a participant" and substituting "an officer" and by striking out "participant" wherever else it occurs and substituting "officer".*

(r) *"prior service" means any service other than that for which current service contributions are made;*

(s) *"salary" means*

(i) *in respect of the office of member, the amounts payable under sections 39(1)(a), 42(1)(a) and 43(3)(a) of the Legislative Assembly Act;*

(ii) *in respect of the office of Member of Executive Council, the amounts payable under section 50(1)(a) of that Act;*

(iii) *in respect of the office of Speaker, Deputy Speaker or Deputy Chairman, the amounts payable under section 46(1) of that Act;*

(iv) *in respect of the office of Leader of the Opposition, the amounts payable under section 47(1) of that Act;*

(v) *in respect of any other office of leader of a recognized opposition party, the amounts payable under section 48(2) of that Act;*

(t) *"service" means a period served performing an office, and, for the purpose only of computing pensionable service in respect of the office of member, includes any period of service within the meaning of the Public Service Management Pension Plan Act, other than one served with a private body;*

(u) *"spouse" means*

(i) *a person who, at the relevant time, was married to a participant or former participant and*

(A) *was not judicially or otherwise separated from him, or*

(B) *if so separated, was wholly or substantially dependent on him,*

(ii) *if there is no person to whom subclause (i) applies, a person of the opposite sex who*

(A) *lived with the participant or former participant*

(I) *for the 5-year period immediately preceding the relevant time, or*

(II) *for the 2-year period immediately preceding the relevant time if there is a child born to that person and the participant or former participant, and*

(B) *was, during that period, held out by the participant or former participant in the community in which they lived as his consort, or*

*4 Section 1(3) is amended*

*(a) in clause (a) by striking out “salary for that office, or” and substituting “remuneration for that office”;*

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

*5 Section 11 is repealed and the following is substituted:*

Closure on  
active  
participation

**11** There is no active participation in the Plan.

*6 Section 12 is amended by adding “prior service” after “All”.*

- (iii) *if there is no person to whom subclause (i) or (ii) applies, a person who was married to but separated from the participant or former participant and not dependent on him at the relevant time;*

**4** Section 1(3) presently reads:

*(3) A person is deemed, for the purposes of this Schedule, to hold and be performing an office during any period in respect of which*

- (a) the Legislative Assembly Act entitles him to receive any salary for that office, or*
- (b) he is in receipt of benefits under the disability plan and is a participant of the Plan.*

**5** Section 11 presently reads:

*11(1) Subject to this section, the participants of the Plan are those persons who*

- (a) are members, whether or not they hold any other office, and have notified the Minister in writing that they wish to participate in the Plan, or*
- (b) previously held an office and are prescribed to be participants of the Plan.*

*(2) If a person has formerly been a member and after a lapse of time becomes a member again, he does not become a participant of the Plan unless he makes a fresh notification under subsection (1)(a).*

*(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.*

**6** Section 12 presently reads:

*12 All contributions shall be made and remitted to the Provincial Treasurer for disposition under the Pension Fund Act.*

*7 Sections 13 and 14 are repealed and the following is substituted:*

Closure on  
further  
contributions

**13** No further contributions may be made except those referred to in section 15(2).

Forfeiture of  
Government  
contributions,  
to Pension  
Fund

**14.01** Contributions made under section 14 before its repeal, relative to the contributions of the officers and former officers to whom contributions are repaid under section 26, with interest that might otherwise be payable on those contributions, are forfeited to the Pension Fund.

*8 Section 15 is amended*

*(a) in subsection (1)*

*(i) by striking out "have been" wherever it occurs and substituting "were";*

*(ii) in clause (b)*

*(A) by adding "and" at the end of subclause (ii);*

*(B) by repealing subclause (iii);*

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

**(2.1)** Notwithstanding anything in this Schedule, contributions may be made under subsection (2) only if

- (a) the person held office as a member before plan closure for a period, or for 2 or more periods aggregating, in excess of 5 years, and
- (b) the person who was entitled to have the service taken into account as pensionable service made an application before plan closure pursuant to the regulations made with reference to that subsection,



**7** Sections 13 and 14 presently read:

*13(1) Subject to subsections (2) and (2.1), an officer shall, at the intervals prescribed by the Minister, make contributions at the rate of 9% of his salary for each office held by him.*

*(2) Current service contributions are not to be made after an officer has accumulated 20 years of pensionable service, whether before, on or after January 1, 1992, in the relevant office.*

*(2.1) The aggregate current service contributions made by an officer in any calendar year are not to exceed the maximum amount allowed by the tax rules.*

*(3) The Government may withhold current service contributions from salary payments.*

*(4) If an officer who is in receipt of benefits under the disability plan is a participant of the Plan, the Government shall, on behalf of that participant, make contributions for the purposes of subsection (1) in such circumstances as are prescribed.*

*14 As long as and at the same time as current service contributions are being made in respect of an office, the Government shall make contributions in respect of that office at a rate equal to the rate applicable to the officer.*

**8** Section 15 presently reads in part:

*15(1) Subject to this section, in computing the length of pensionable service that a person accumulated under the Plan relating to a particular office, the following periods of service after 1991, not exceeding 20 years' service in aggregate, including service before 1992, are the periods to be taken into account:*

- (a) service in respect of which current service contributions have been made respecting that office;*
- (b) where the contributions required by subsection (2) have been made and the terms and conditions prescribed in relation to the service in question have been satisfied,
  - (i) prior service in that office,*
  - (ii) service in that office that would be pensionable service but for subsection (4),*
  - (iii) service in that office that a deceased referred to in section 25(2) could, when alive, have had taken into account as pensionable service on payment of the required contributions, and*
  - (iv) other service, in the case of the office of member.**

and, if that person did so, those contributions continue to be payable in accordance with the arrangements made with the Minister and with those regulations.

(2.2) Subsection (2.1) is deemed to have come into force on March 20, 1989.

(2.3) Where a person purchased service pursuant to the regulations made with reference to subsection (2) after March 19, 1989 and does not qualify under this section to purchase that service as a result only of the retroactive application of subsection (2.1), the purchase of that service is hereby cancelled for all purposes under the Plan, including vesting and eligibility for pensions, and the Provincial Treasurer shall repay all the contributions made by that person under the arrangements agreed by the Minister under those regulations, with interest.

(2.4) If any former officer referred to in subsection (1) has received a pension or other benefit, that person shall repay the whole of that benefit to the Provincial Treasurer, with interest.

(2.5) The estates, spouses and beneficiaries of a deceased person are exempt from the application of subsections (2.3) and (2.4).

(2.6) With respect to persons to whom subsection (2.1) does not apply, contributions may be made under subsection (2) only if the person who was entitled to have the service taken into account as pensionable service made an application before plan closure pursuant to the regulations made with reference to that subsection and, if that person did so, those contributions continue to be payable in accordance with the arrangements made with the Minister and with those regulations.

9 *Section 16 is amended*

- (a) *in clause (c) by striking out “or (3)” and substituting “(a) or (b)”;*
- (b) *in clause (e) by striking out “an officer” wherever it occurs and substituting “a former officer”.*

*(2) Contributions for service described in subsection (1)(b) shall be made in the amount and on the terms and conditions prescribed in relation to the service in question.*

**9** 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);*

*(e) "pensionable salary",*

*(i) in the case of an officer who has at least 3 consecutive years, whether before, on or after January 1, 1992, of*

*10 Section 17 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 "and (3)".*

*(A) pensionable service in an office, and*

*(B) any further service in the office that would be pensionable service but only for its exceeding the 20-year aggregate limit referred to in section 15(1),*

*means the average of his annual salaries for the office in the 3 such consecutive years over which the average of his salaries was the highest, and*

*(ii) in the case of an officer who does not, means his average annual salary for service in the office over the period served.*

**10** 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.*

*(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.*

11 *Section 19.1 is repealed and the following is substituted:*

Pension after  
reaching 71

**19.1** Notwithstanding anything in this Schedule, a pension may not commence later than the end of the year in which the person entitled attains the age of 71 years, and the pension in that case is to be a normal pension.

12 *Section 20(1) is amended by adding “end of the year in which he attains the” after “up to the”.*

13 *Section 23 is amended by adding the following after subsection (2):*

**(2.1)** Where a person held office before plan closure and continues to hold office afterwards, the pension held in abeyance as a result of his continuing to hold office attracts adjustments under subsection (1) during the period in which it is held in abeyance.

14 *Section 25(3)(a)(ii) is amended by striking out “, but taking into account only pensionable service accrued to death and actual pensionable salary”.*

15 *Division 3 of Part 5 is repealed and the following is substituted:*

**11** Section 19.1 presently reads:

*19.1(1) A person who ceases to be a participant by reason only of reaching the end of the year in which he attained the age of 71 years and who has accumulated at least 5 years' pensionable service in or in respect of the office of member is to receive a normal pension.*

*(2) A person who ceases to be a participant by reason only of having attained the age of 71 years before 1992 and who has accumulated at least 5 years' pensionable service in or in respect of the office of member is to receive a normal pension.*

**12** 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.*

**13** COLA adjustments for periods of continued office-holding.

**14** Section 25(3) presently reads in part:

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

*(a) the pension that would have been payable if the deceased, immediately before his death,*

*(i) had ceased to hold the office in question,*

*(ii) were 60 years of age, but taking into account only pensionable service accrued to death and actual pensionable salary, and*

*(iii) had been entitled to exercise and had exercised the option described in section 18(1)(b)(i) with his spouse as the designated nominee, or*

**15** Part 5, Division 3, presently reads:

*Division 3  
Non-Pension Benefits on Termination*

**Division 3**  
**Return of Contributions on Plan Closure**

Position of  
persons not  
vested at plan  
closure

**26** Where an officer or former officer does not have enough pensionable service in or in respect of an office at plan closure to be entitled to the present or future receipt of a pension in respect of that office, the Provincial Treasurer shall repay the officer contributions made in respect of that office that have not previously been returned, with interest, or pay them into a registered retirement savings vehicle.

*16 The following is added before section 26.1:*

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.

*17 Section 33 is repealed.*

*18 The following is added before section 42:*

Continuation  
of existing  
pensions and  
pension rights

**41.1(1)** Subject to subsection (3), a person who was in receipt of a pension immediately before, or who had a pension commencing not later than, plan closure continues to be or is entitled to receive that pension thereafter.

(2) Subject to subsection (3), a person who before plan closure had postponed a pension under section 20 and, as at plan closure, had not yet commenced to receive that pension continues 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 the *Members of the Legislative Assembly Pension Plan Amendment Act, 1993* not been enacted.

(3) Nothing in subsection (1) or (2) entitles a person who holds any office to receive any pension, and rights under



**26** *Where an officer ceases to hold an office before he becomes entitled to receive a pension, he*

*(a) shall be paid an amount equal to the officer contributions made in respect of that office not previously returned to him,*

*(i) with interest, if he has accumulated at least 1 year's pensionable service in that office, or*

*(ii) otherwise, without interest, or*

*(b) if he has accumulated at least 1 year's pensionable service in an office other than that of member, may elect to leave those contributions in respect of that office in the Plan until he ceases to be a member.*

**16** Suspension of pension.

**17** Section 33 presently reads:

*33 The Minister shall, once in each year, provide each participant with a statement containing the information prescribed by the Minister about the participant's participation in the Plan.*

*(Not yet proclaimed.)*

**18** Continuation of existing pensions and rights.

those subsections are subject to other provisions of this Schedule.

19 *Section 42(e) 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 pension enactment and the treatment of those persons for the purposes of the Plan;

20 *Section 43 is amended by repealing clause (a).*

21 *Section 44(2) is amended by striking out “11 or”.*

22 *The following is added after section 44:*

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 plan closure, is payable, but is suspended until the person ceases to hold any office whatever.*

## **AMENDMENTS TO SCHEDULE 2**

23 *Schedule 2 is amended by sections 24 to 42 of this Act.*

24 *Section 1 is amended*

- (a) *in subsection (1)(e) by adding “the following amounts, but only insofar as they were earned before plan closure:” after “means”;*
- (b) *in subsection (2) by adding “ “plan closure”, ” after “ “pensionable service”, ”.*

**19** 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;*

**20** Section 43(a) presently reads:

*43 The Minister may make regulations*

*(a) specifying times by and the manner in which contributions must be remitted;*

**21** Section 44(2) presently reads:

*(2) A regulation under or by reference to section 11 or 23(1) is, if so provided in the regulation, effective from a date prior to that on which it would otherwise have been effective.*

**22** Transitional provision.

**23** Amendments to supplementary plan.

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

*1(1) In this Schedule,*

*(e) "salary" means*

25 *Section 11 is repealed and the following is substituted:*

Closure on  
active  
participation

**11** Section 11 of the principal plan applies with respect to the Plan.

26 *Section 13 is repealed and the following is substituted:*

Closure on  
further  
contributions

**13** Section 13 of the principal plan applies with respect to the Plan.

27 *Section 13.1 is repealed.*

- (i) *in respect of the office of member, the amounts payable under sections 39, 42(1)(a) and 43(3)(a) of the Legislative Assembly Act;*
- (ii) *in respect of the office of Member of Executive Council, the amounts payable under section 50(1)(a) of that Act;*
- (iii) *in respect of the office of Speaker, Deputy Speaker or Deputy Chairman, the amounts payable under section 46(1) of that Act;*
- (iv) *in respect of the office of Leader of the Opposition, the amounts payable under section 47(1) of that Act;*
- (v) *in respect of any other office of leader of a recognized opposition party, the amounts payable under section 48(2) of that Act.*

*(2) The definitions of "actuarial equivalent", "actuary", "benefit", "current service contributions", "Deputy Chairman", "Deputy Speaker", "disability plan", "former Act", "Leader of the Opposition", "matrimonial property order", "member", "Minister", "office", "officer", "pension", "pension commencement", "pensionable service", "prescribed", "prior service", "service", "spouse" and "tax rules" contained in section 1(1) of the principal plan apply in this Schedule, with the references in those definitions to the principal plan or to a particular provision of the principal plan being taken to be references to the Plan under this Schedule or to the corresponding provision of the Plan.*

**25** 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.*

**26** Section 13 presently reads:

*13(1) Subject to subsection (2), an officer shall, at the intervals prescribed by the Minister, make contributions, in respect of each office held by him, at the rate of 9% of his salary for that office less the amount that he is required to contribute in respect of that office under the principal plan.*

*(2) Section 13(2), (3) and (4) of the principal plan apply with respect to the Plan.*

**27** Section 13.1 presently reads:

Forfeiture of  
Government  
contributions,  
to Pension  
Fund

28 *Section 14 is repealed and the following is substituted:*

**14.01** Contributions, relative to the contributions of the officers and former officers to whom contributions are repaid under section 26,

- (a) made by the Government under section 14 before its repeal, and
- (b) made by the Legislative Assembly and the Government under sections 14.1 and 14.2 respectively before their repeal,

with interest that might otherwise be payable on those contributions, are forfeited to the Pension Fund.

29 *Sections 14.1, 14.2 and 14.3 are repealed.*

30 *Section 15 is amended*

*(a) in subsection (1)*

*(i) by striking out “have been” wherever it occurs and substituting “were”;*

*(ii) in clause (b) by adding “and” at the end of subclause (ii) and by repealing subclause (iii);*

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

**(2.1)** Subsections (2.1), (2.2), (2.3), (2.4), (2.5) and (2.6) of section 15 of the principal plan apply with respect to the Plan.

*13.1 Each officer and other prescribed person shall pay additional contributions at the rate of 1% of salary.*

**28** Section 14 presently reads:

*14 Section 14 of the principal plan applies with respect to the Plan.*

**29** Sections 14.1, 14.2 and 14.3 presently read:

*14.1 The Legislative Assembly Office shall pay additional contributions at the rate of 1% of the salary of each participant or other person referred to in section 13.1.*

*14.2 The Government shall pay contributions, to be known as additional contributions, at the rate of 1% of the salary of each person referred to in section 13.1.*

*14.3 The Provincial Treasurer shall ensure that a separate accounting is made and maintained in respect of additional contributions made under sections 13.1, 14.1 and 14.2.*

**30** Section 15 presently reads in part:

*15(1) Subject to this section, in computing the length of pensionable service that a person accumulated under the Plan relating to a particular office, the following periods of service, not exceeding 20 years in aggregate, are the periods to be taken into account:*

- (a) service in respect of which current service contributions have been made respecting that office;*
- (b) where the contributions required by subsection (2) have been made and the terms and conditions prescribed in relation to the service in question have been satisfied,*
  - (i) prior service in that office,*
  - (ii) service in that office that would be pensionable service but for subsection (4),*
  - (iii) service in that office that a deceased referred to in section 25(2) could, when alive, have had taken into*

31 Section 16 is amended

(a) in clause (b) by adding the following after subclause (i):

(i.1) additional contributions paid under section 13.1 before its repeal;

(b) in clause (c) by striking out “an officer” wherever it occurs and substituting “a former officer”.

32 Section 17 is amended

(a) 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 together amount to not less than 55 years, a pension in an annual amount equal to



*account as pensionable service on payment of the required contributions, and*

*(iv) other service, in the case of the office of member.*

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

*16 In this Part,*

*(b) "officer contributions" means*

*(i) current service contributions,*

*(ii) any contributions for prior service made by an officer, and*

*(iii) any contributions made under section 15(2) for service described in section 15(1)(b)(ii) that are recognized by the Minister as officer contributions;*

*(c) "pensionable salary",*

*(i) in the case of an officer who has at least 3 consecutive years of*

*(A) pensionable service in an office, and*

*(B) any further service in the office that would be pensionable service but only for its exceeding the 20-year aggregate limit referred to in section 15(1),*

*means the average of his annual salaries for the office in the 3 such consecutive years over which the average of his salaries was the highest, and*

*(ii) in the case of an officer who does not, his average annual salary for service in the office over the period served.*

**32** 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*

- (i) 4% of his pensionable salary for that office multiplied by the number of years of that pensionable service that occurred before March 20, 1989, and
- (ii) 3% of his pensionable salary for that office multiplied by the number of years of that pensionable service occurring after March 19, 1989,

or

- (b) where his age at pension commencement and the length of his pensionable service in or in respect of the office of member together amount to less than 55 years, the normal pension under clause (a)(i) and (ii) combined, 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.

(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 together amount to not less than 55 years, a pension in an annual amount equal to
  - (i) 4% of his pensionable salary for that other office multiplied by the number of years of that pensionable service that occurred before March 20, 1989, and
  - (ii) 3% of his pensionable salary for that other office multiplied by the number of years of that

*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) 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.*

pensionable service occurring after March 19, 1989,

or

- (b) where his age at pension commencement and the length of his pensionable service in the other office together amount to less than 55 years, the normal pension under clause (a)(i) and (ii) combined, 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.

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

**(4.1)** Where it transpires that the application of subsections (1) or (2) and (3) result in an overpayment having been made in a pension that commenced or another benefit paid between March 20, 1989 and plan closure, the person is liable to repay to the Plan a sum equal to the amount of the overpayment.

**(4.2)** The overpayment amount is to be repaid, whether as a lump sum, by deduction from future pension payments or otherwise, in accordance with arrangements agreed on by the Minister and the person liable.

**(4.3)** The estates, spouses and beneficiaries of a deceased person are exempt from the application of subsections (4.1) and (4.2).

*33 The following is added after section 19:*

Pension after  
reaching 71

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

*34 Section 20 is repealed and the following is substituted:*

Postponement  
of pension

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

**33** Turning-on of pension at maximum age.

**34** Postponements. 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.*

35 Section 23(1) is amended by striking out “and (2)” and substituting “, (2) and (2.1)”.

36 Section 25(3)(a)(ii) is amended by striking out “to death”.

37 The heading to Division 3 of Part 5 is repealed and the following is substituted:

**Return of Contributions on Plan Closure**

38 Section 26.1 is repealed.

39 The following is added before section 26.1:

Suspension of  
pension

**26.01** Section 26.01 of the principal plan applies with respect to the Plan.

40 Section 33 is repealed.

**35** Section 23(1) presently reads:

*23(1) Section 23(1) and (2) of the principal plan apply with respect to pensions.*

**36** Section 25(3) presently reads:

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

*(a) the pension that would have been payable if the deceased, immediately before his death,*

*(i) had ceased to hold the office in question,*

*(ii) had attained the age of 55 years less the length of his accrued pensionable service in the office to death if in fact he had not, and*

*(iii) had been entitled to exercise and had exercised the option described in section 18(1)(b)(i) with his spouse as the designated nominee, or*

*(b) subject to section 18(4) of the principal plan, as incorporated by section 18, a pension, payable for the term selected by the spouse of 5, 10 or 15 years or the life of the spouse, whichever is the longer, that is the actuarial equivalent of the pension provided for under clause (a).*

**37** The heading to Part 5, Division 3, presently reads:

*Non-Pension Benefits on Termination*

**38** Section 26.1 presently reads:

*26.1 Where officer contributions are to be refunded to a person in respect of any service, additional contributions paid by the officer, with interest, shall also be paid.*

**39** Suspension of pension.

**40** Section 33 presently reads:

Continuation  
of existing  
pensions and  
pension rights

*41 The following is added after section 41:*

**41.1(1)** Subsections (1) and (2) of section 41.1 of the principal plan apply with respect to the Plan.

**(2)** Nothing in subsection (1) entitles a person

(a) who holds any office to receive any pension, or

(b) to have any part of a pension that is based on pensionable service after March 19, 1989 based on an accrual rate of 4%,

and rights under subsection (1) are subject to other provisions of this Schedule.

(3) Notwithstanding subsection (2), that subsection does not require any person to repay any part of a pension or other benefit with respect to a deceased person.

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

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

## **COMMENCEMENT**

*43 Subject to section 15 of Schedules 1 and 2, this Act comes into force on the date specified in the next writ for an Alberta general election issued after May 4, 1993 as the date on which voting is to take place during that general election.*



*33 Section 33 of the principal plan applies with respect to the Plan on the proclamation of that provision.*

**41** Continuation of existing pensions and rights.

**42** Transitional provision.

**43** Coming into force.