

1994 BILL 36

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Second Session, 23rd Legislature, 43 Elizabeth II

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THE LEGISLATIVE ASSEMBLY OF ALBERTA

# BILL 36

TEACHERS' RETIREMENT FUND  
AMENDMENT ACT, 1994

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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 36

1994

### TEACHERS' RETIREMENT FUND AMENDMENT ACT, 1994

(Assented to \_\_\_\_\_, 1994)

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

RSA 1980  
cT-2

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

2 *Section 1 is amended*

(a) *in clause (g),*

(i) *by striking out "or" at the end of subclause (i) and  
by adding the following after subclause (i):*

(i.1) *a person referred to in section 24.3(2) of the  
School Act who operates a charter school within  
the meaning of that Act, or*

(ii) *with respect to the words at the end of the clause,  
following subclause (ii)(D), by indenting them to  
form part of subclause (ii) only rather than of clause  
(g) generally;*

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

(i.1) *by a person referred to in clause (g)(i.1),*

## Explanatory Notes

**1** Amends chapter T-2 of the Revised Statutes of Alberta 1980.

**2** Section 1(g) and (h) presently read:

*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 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, or*

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

*(A) repealed 1992 c33 s2,*

*(B) the members of which are school boards as defined in subclause (i), 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*

*3 Section 16 is amended*

*(a) by adding the following after subsection (1.5):*

**(1.51) Notwithstanding that**

- (a) but for this subsection, this section requires current service costs to be determined in an actuarial valuation using the attained age normal actuarial cost method,**
- (b) the use of that method, as compared with the use of the unit credit method, may result in a higher current service cost, and**
- (c) the Board might wish to use that excess to reduce the amounts of the additional contributions otherwise payable until the next following actuarial valuation in respect of the unfunded liability referred to in section 16.1(1) by teachers and the Government in the proportions for which they are**

*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 under a contract of employment*

*(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,*

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

*(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, by a local of that Association or by the Board;*

**3** Transitional provisions for dealing with current service cost excess - public school system and extension of School Act reference to charter schools.

liable for additional contributions under section 16.1(6),

the Board's by-laws under this section may, notwithstanding anything else in this section or section 55, set the rates for those contributions using that excess to reduce the rates that would otherwise have been payable, in the manner specified in clause (c).

(1.52) Subsection (1.51) comes into force on September 1, 1995 and ceases to have any force after the date specified by an order made by the Lieutenant Governor in Council.

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

(2.05) Section 24.5(1) of the *School Act* applies for the purpose of interpreting the reference in subsection (2) to section 81(1) of that Act and, as it applies to subsection (2), the reference in that section 81(1) to section 78 of that Act.

4 *Section 27(1.7) is amended by striking out "using the attained age normal actuarial cost method".*

5 *Section 37(1)(a) is amended by adding "basic" before "rate".*

6 *Section 49 is amended by renumbering subsection (3), as enacted by section 24 of the Teachers' Retirement Fund Amendment Act, 1992 (SA 1992 c33), as subsection (2.1).*

7 *The following is added after section 53(2):*

(3) *The Teachers' Retirement Fund Act (Temporary Amendment) Regulation, 1993 (Alta. Reg. 196/93) and the Teachers' Retirement Fund Act (Temporary Amendment) (No. 2) Regulation, 1993 (Alta. Reg. 215/93) are hereby validated notwithstanding the extent, if any, to which the making of these regulations did not fall within the scope of powers allowed by section 53(1).*

**4** Section 27(1.7) presently reads:

*(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.*

**5** Section 37 presently reads in part:

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

*(a) all amounts payable as pensions shall be increased each year at the rate of 60%, and*

**6** Correction of numbering error.

**7** Validation of regulations and by-laws.

(4) Any by-law passed before or after the commencement of this subsection that enables the purchase of paternity leave taken after July 17, 1980 as pensionable service on the same basis as then existing provisions dealing with maternity leave is hereby validated notwithstanding any lack of authority to make the by-law at the time it was made.

8 *Section 54 is amended by striking out “that of August 31, 1992 for the period following August 31, 1993” and substituting “the most recent one prepared before August 31, 1995 for the period following that date”.*

9 *The following is added after section 55(4):*

(5) Notwithstanding sections 16 and 16.1, contributions are payable for the period from September 1, 1994 to August 31, 1995 as follows:

(a) by the Government,

(i) current service contributions at the rate of 6.24%, and

(ii) additional contributions at the rate of 3.05% of the salaries of all teachers;

(b) by teachers,

(i) current service contributions at the rate of

(A) 5.69% of that part of their salaries that does not exceed the year's maximum pensionable earnings under the *Canada Pension Plan*, and

(B) 8.59% of that part of their salaries that does, and

(ii) additional contributions at the rate of 1.46% of their salaries.

(6) Notwithstanding section 27, contributions in respect of current service are payable for the period from September 1, 1994 to August 31, 1995 as follows:



**8** Section 54 presently reads:

*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.*

**9** Contribution rates for year commencing September 1, 1994.

- (a) by private schools, at the rate of 7.15% of the salaries of all teachers;
- (b) by private school teachers, at the rate of
  - (i) 6.64% of that part of their salaries that does not exceed the year's maximum pensionable earnings under the *Canada Pension Plan*, and
  - (ii) 9.84% of that part of their salaries that does.

10 *The following is added after section 58:*

Locking in

**59** Notwithstanding anything else in this Act, the provisions of the *Employment Pension Plans Act* and the regulations under it dealing with the locking in of pensions, of amounts eligible for transfer and of any other benefits apply with respect to any such benefits that derive from service performed after August 31, 1992.

*11(1) Clauses (a)(i) and (b) of section 2 come or are deemed to have come into force on the commencement of section 11 of the School Amendment Act, 1994 as it adds a new section 24.3(2) to the School Act.*

*(2) Section 4 is deemed to have come into force on September 1, 1992.*

*(3) Section 8 is deemed to have come into force on September 1, 1993.*

**10 Locking in.**

**11 Coming into force.**