

2020 Bill 203

Second Session, 30th Legislature, 69 Elizabeth II

THE LEGISLATIVE ASSEMBLY OF ALBERTA

BILL 203

PENSION PROTECTION ACT

MS. GRAY

First Reading

Second Reading

Committee of the Whole

Third Reading

Royal Assent

BILL 203

2020

PENSION PROTECTION ACT

(Assented to _____, 2020)

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

Part 1 Introductory Provisions

Definitions

1 In this Act,

- (a) “administrator”, of a pension plan, means the person or entity that, in accordance with an enactment or the terms of the pension plan, provides pension administration services in respect of the pension plan;
- (b) “Canada Pension Plan” means the comprehensive program of old age pension and supplementary benefits payable to, and in respect of, contributors under the *Canada Pension Plan* (Canada);
- (c) “Court” means the Court of Queen’s Bench;
- (d) “directing board” means each of the following:
 - (i) in the case of a jointly governed pension plan,
 - (A) the Sponsor Board of the jointly governed pension plan,
and
 - (B) the board of directors of the corporation established under the *Joint Governance of Public Sector Pension*

Plans Act as the trustee of the pension funds of the jointly governed pension plan;

- (ii) in the case of the Teachers' Pension Plans, a member of the "Board" as defined in the *Teachers' Pension Plans Act*;
 - (iii) a person, body or other type of entity that acts on behalf of a board referred to in subclauses (i) and (ii);
- (e) "federal minister" means the Minister of Employment and Social Development as referred to in section 3(1)(b) of the *Canada Pension Plan* (Canada) or any minister who is appointed as a successor to that office;
- (f) "investment manager" of pension funds, means the person or entity that, in accordance with an enactment or the terms of a pension plan, provides investment management services in respect of the pension funds;
- (g) "jointly governed pension plan" means each of the following:
- (i) the Local Authorities Pension Plan;
 - (ii) the Public Service Pension Plan;
 - (iii) the Special Forces Pension Plan;
- (h) "member" of a pension plan, means each of the following:
- (i) a member of a jointly governed pension plan;
 - (ii) a member of the Teachers' Pension Plans;
- (i) "pension funds", in respect of a pension plan, means the assets held in accordance with the pension plan;
- (j) "pension plan" means
- (i) in the case of a member of a jointly governed pension plan, that plan, or
 - (ii) in the case of a member of the Teachers' Pension Plans, those plans;
- (k) "Sponsor Board" has the same meaning as in the Schedules to the *Joint Governance of Public Sector Pension Plans Act*.

Purposes

2 The purposes of this Act are

- (a) to ensure that members are adequately consulted in respect of significant decisions that may impact their pension plans or pension funds before those decisions are made or implemented by the Government, specifically decisions that may result in changes to
 - (i) the governance structure of a directing board, including changes to the membership or composition of the directing board, or
 - (ii) the investment manager entrusted with the management of the pension funds,
- (b) to appropriately reflect in Alberta's law the principle that the Government owes an ongoing obligation to members when making and implementing significant decisions affecting the members' pension plans or pension funds,
- (c) to ensure that Albertans continue to participate in the Canada Pension Plan,
- (d) to provide for meaningful consultation rights under this Act by re-establishing the principle of independence in respect of
 - (i) the governance structure of jointly governed pension plans and the Teachers' Pension Plans, and
 - (ii) choices relating to investment managers.

Application

3 If a provision of this Act conflicts with a provision of any of the following Acts, the provision of this Act prevails to the extent of the inconsistency:

- (a) the *Joint Governance of Public Sector Pension Plans Act*;

(b) the *Employment Pension Plans Act*;

(c) the *Teachers' Pension Plans Act*.

Part 2

Members' Rights

Consultation right of pension plan members

4 Before a member of the Executive Council makes or implements a decision that could reasonably be expected to have a significant impact on, or cause a significant change to, any of the following as it relates to a pension plan, the member of the Executive Council must, in accordance with section 5, consult with the members of that pension plan:

- (a) the governance structure of a directing board of the pension plan, including its membership or composition;
- (b) the investment manager of the pension plan's funds;
- (c) the administrator of the pension plan.

Consultation duty

5 If a member of the Executive Council is required under section 4 to conduct a consultation, the member of Executive Council must conduct the consultation by doing the following:

- (a) at least 30 days before any action under clause (b) is taken, make available to members of the pension plan a pre-consultation document that sets out the following:
 - (i) each decision or action that, if made or implemented, could reasonably be expected to have a significant impact on, or cause a significant change to, any of the matters described in sections 4(a) to (c);
 - (ii) a specific description of each impact or change described in clause (i);
 - (iii) each benefit or detriment to the Government that would likely result if each decision or action described in clause (i) is made or implemented;

- (iv) each benefit or detriment to the pension plan and its members that would likely result if each decision or action described in clause (i) is made or implemented;
- (v) the consultation plan, including a detailed schedule, for the consultation to be conducted in accordance with clause (b);
- (b) consult for a period of not less than 90 days with members of the pension plan on the information set out in the pre-consultation document;
- (c) within 30 days of the last day of the period referred to in clause (b), publish a post-consultation document that summarizes all the information gathered during that period;
- (d) within 6 months of the date on which the post-consultation document is published, provide notice to the members of the pension plan in respect of
 - (i) each decision and action set out in the pre-consultation document that the member is intending to make or implement, and
 - (ii) the date by or period during which each decision or action referred to in clause (i) will be made or implemented.

Remedy if consultation duty breached

6(1) If a member of the Executive Council fails to conduct a consultation required under section 4, a member of the pension plan may, on behalf of themselves and all other members, make an application to the Court for any of the following:

- (a) an injunction restraining the member of the Executive Council, or any other person or entity acting on their behalf, from taking the action specified in the application,
- (b) an order
 - (i) declaring null and void each decision made by the member of the Executive Council that is the subject matter of the application,

- (ii) revoking any appointment of an individual as a director or officer of a directing board, or
 - (iii) in respect of an office that is vacated under subclause (ii), appointing an individual to that office for a period of no more than 6 months from the date of the order, or
 - (c) as it relates to matters under clauses (a) and (b), costs (including solicitor-client costs) of the application.
- (2) On conclusion of the hearing of the application under subsection (1), the Court may, as applicable
- (a) issue an injunction on the terms and conditions that the Court determines appropriate in the circumstances,
 - (b) grant an order to the applicant in respect of any of the matters referred to in that subsection, including costs, or
 - (c) grant any other type of order that the Court considers necessary and just in the circumstances.

Prohibition – no notice of intention to withdraw from Canada Pension Plan

7 Despite any other provision in an enactment, a member of the Executive Council must not, on behalf of the Crown or Government, provide to the federal minister the written notice referred to in section 3(1)(b) of the *Canada Pension Plan (Canada)* stating that the Government intends to provide for the establishment and operation in Alberta of a plan of old age pensions and supplementary benefits in lieu of the operation of the Canada Pension Plan.

**Part 3
Consequential Amendments**

Amends SA 2018 cJ-0.5

8(1) The *Joint Governance of Public Sector Pension Plans Act* is amended by this section.

Explanatory Notes
Consequential Amendments

8(1) Amends chapter J-0.5 of the Statutes of Alberta 2018.

(2) Schedule 1 presently reads in part:

(2) Schedule 1 is amended

(a) in section 1(1)

(i) by repealing clause (e) and substituting the following:

(e) “employee organization” means an organization referred to in section 4(1)(a), and includes a successor to any of those organizations;

(ii) by repealing clause (k.1);

(b) in section 4

(i) in subsection (1)(a)

(A) in subclause (ii) by striking out “one member” and substituting “2 members”;

(B) by repealing subclause (vi);

(ii) in subsection (3), by striking out “Subject to subsection (5), a sponsor organization” and substituting “A sponsor organization”;

(iii) in subsection (4), by striking out “Subject to subsection (6), a sponsor organization” and substituting “A sponsor organization”;

(iv) by repealing subsections (5), (6) and (7);

1(1) In this Schedule,

(e) “employee organization” means

(i) an organization referred to in section 4(1)(a)(i) to (v), and includes a successor to any of those organizations, and

(k.1) “non-union employee” means an individual who is an active member of the Plan and who, at the relevant time, is not included in a bargaining unit or any other unit for collective bargaining;

4(1) Except as otherwise provided in rules made by the Sponsor Board under section 8(2)(a), the Sponsor Board consists of the following members appointed by the following organizations:

(a) 6 employee representatives appointed as follows:

(ii) one member appointed by The Alberta Union of Provincial Employees;

(iv) one member appointed by the Health Sciences Association of Alberta;

(3) Subject to subsection (5), a sponsor organization appoints a member of the Sponsor Board by giving notice to the Corporation.

(4) Subject to subsection (6), a sponsor organization that has the power to appoint a member of the Sponsor Board may by notice to the Corporation remove and replace that member.

(5) The Corporation must recruit and appoint the member referred to in subsection (1)(a)(vi) according to a process developed under section 16(3)(d.1) that identifies suitable candidates who are non-union employees or who have a connection with non-union employees.

(6) The member referred to in subsection (1)(a)(vi)

(a) shall be appointed for a term of 3 years, and

(b) may be removed by the Corporation only by unanimous resolution of the board of directors.

(c) in section 8

(i) by adding the following immediately before clause (1)(b):

(a) establishing a process for recruiting directors that provides for consultation among sponsor organizations with the objective of achieving on the board of directors of the Corporation the following as defined or determined in accordance with the rules:

(i) a suitable mix of competencies;

(ii) a diversity of perspectives;

(iii) gender balance;

(ii) by repealing clause (3)(a);

(iii) in clause (3)(a.1), by repealing “subject to clause (a),”;

(d) by adding the following immediately after section 12:

13 The Auditor General is not the auditor of the Corporation or the Plan.

(7) On the resignation or expiry of the term of a member appointed under subsection (1)(a)(vi), the vacancy shall be filled by the Corporation as soon as reasonably practicable.

8(1) The Sponsor Board shall make rules

(b) determining the remuneration to be paid to the directors of the Corporation.

(3) The Sponsor Board shall not make a rule under subsection (2)(a) that

(a) excludes an appointment under section 4(1)(a)(vi),

(a.1) subject to clause (a), excludes a sponsor organization from making an appointment unless the organization has

(i) consented in writing to such exclusion,

(ii) ceased to exist,

(iii) in the case of an employee organization, ceased to have a role in representing a substantial number of employees who are members of the Plan, or

(iv) in the case of an employer organization, ceased to be a participating employer, or ceased to have a substantial number of employees who are members of the Plan,

12 The Corporation is not an agent of the Crown.

14 The Corporation is not for the purpose of any enactment a Provincial corporation as defined in the *Financial Administration Act* or a public agency as defined in the *Alberta Public Agencies Governance Act*.

(e) in section 16(3)

(i) by repealing clauses (d.1) and (d.2);

(ii) in clause (e) by striking out “section 4(1)(b)(ii)(B)” and substituting “section 4(1)(b)(ii)”.

(f) by repealing section 17 and substituting the following:

17(1) The Corporation must, through a services agreement, engage Alberta Pension Services Corporation as the exclusive provider to the Corporation of pension administration services for a period of at least 5 years commencing on the transition date.

(2) The Corporation must, through an investment management agreement, engage Alberta Investment Management Corporation as the exclusive provider to the Corporation of investment management services for a period of at least 5 years commencing on the transition date.

(3) The Corporation may arrange for the plan fund or any part of it to be held in the nominee name of an investment manager, and in that event

(a) the investment manager shall hold such assets as bare trustee, and

16(3) Without limiting the responsibilities of the Corporation under subsections (1) and (2), and for greater certainty, the roles, responsibilities and authorities of the Corporation extend to and include the following:

(d.1) for the purpose of section 4(5), developing a process for the recruitment and appointment of an individual to the Sponsor Board to represent non-union employees;

(d.2) for the purpose of section 20(2), developing a process for the recruitment and nomination of an individual to the board of directors;

(e) if, in the assessment of the Corporation, the Council of Post-secondary Presidents of Alberta is no longer a suitable representative organization, designating another organization representing post-secondary institutions participating in the Plan for the purposes of section 4(1)(b)(ii)(B);

17(1) The Corporation must, through a services agreement, engage Alberta Pensions Services Corporation as the exclusive provider to the Corporation of pension administration services.

(2) If at any time there is no subsisting services agreement under subsection (1), the Minister may, by order, specify the terms and conditions in accordance with which Alberta Pensions Services Corporation must provide pension administration services to the Corporation.

(3) An order under subsection (2) has effect until the Corporation and Alberta Pensions Services Corporation enter into a services agreement under subsection (1).

(b) such an arrangement shall not limit the role and responsibility of the Corporation as trustee of the plan fund.

(g) by repealing section 17.1;

(h) by adding the following immediately after section 19(3):

(4) The board of directors shall appoint an auditor for the Corporation.

(i) by repealing section 20 and substituting the following:

20(1) Subject to section 21, a sponsor organization that has authority under section 4(1), or under rules made by the Sponsor Board under section 8(2)(a), to appoint one or more

17.1(1) The Corporation is a designated entity under section 6(1) of the Alberta Investment Management Corporation Act in respect of the plan fund.

(2) Subject to subsections (3) and (4), the Corporation must, through an investment management agreement,

- (a) engage Alberta Investment Management Corporation as the exclusive provider to the Corporation of investment management services in respect of the plan fund, and*
- (b) ensure that all investments of the plan fund are managed by Alberta Investment Management Corporation.*

(3) The Corporation may exclude investments of the plan fund from an investment management agreement under subsection (2) if the funds invested are reasonably required to meet the expected current liabilities and operating expenses of the Corporation.

(4) The Minister may, by order, authorize the Corporation to exclude from an investment management agreement under subsection (2), for a fixed or indefinite period of time, specific investments or classes of investments of the plan fund but such investments must not make up more than 10% of the total value of the Corporation's investments at the time the order is made, excluding investments made under subsection (3).

(5) The Corporation may arrange for the plan fund or any part of it to be held in the nominee name of Alberta Investment Management Corporation, who must hold the assets as bare trustee.

(6) The arrangement made under subsection (5) shall not limit the role and responsibility of the Corporation as trustee of the plan fund.

19(1) The Corporation is governed by a board of directors appointed under section 20.

(3) In addition to remuneration authorized under subsection (2), the Corporation may reimburse directors for their reasonable expenses.

20(1) Subject to subsections (2) to (6), the Lieutenant Governor in Council shall appoint the members of the board of directors, and the board of directors shall consist of the same number of individuals that may be appointed to the Sponsor Board.

members of the Sponsor Board may appoint the same number of members to the board of directors.

(2) To be eligible to become or remain a director, an individual

(a) must be at least 18 years of age, and

(b) must not be a member of the Sponsor Board.

(3) Before appointing a director, a sponsor organization shall comply with any applicable rules made by the Sponsor Board under section 8(1)(a).

(4) A sponsor organization appoints a director by giving notice to the Corporation.

(5) A sponsor organization that has authority to appoint a director may by notice to the Corporation terminate the appointment of the relevant director.

(6) The Sponsor Board may by resolution and subsequent notice to the Corporation terminate the appointment of a director for misconduct while serving as a director.

(j) by repealing section 21 and substituting the following:

21 Where an employer organization referred to in section 4(1)(b)(ii), (iii) or (iv) has authority to appoint a member of the Sponsor Board, the other employer organization referred to in section 4(1)(b)(ii), (iii) or (iv) has the authority to appoint a director to the board of directors under section 20.

(k) in section 22(3)(b) by striking out “terminated” and substituting “terminated under section 20(5) or (6)”;

(l) in section 23

(2) Subject to section 21, a sponsor organization that has authority under section 4(1), or under rules made by the Sponsor Board under section 8(2)(a), to appoint one or more members of the Sponsor Board must nominate the same number of individuals for appointment to the board of directors.

(3) On a vacancy, or prior to an expected vacancy, of a director position, the sponsor organization that is responsible for nominating to that position must, as soon as reasonably practicable, submit a nomination in writing to the Minister for consideration by the Lieutenant Governor in Council.

(4) In making an appointment, the Lieutenant Governor in Council shall have regard to the desirability of having a board of directors that is comprised of individuals who, in the aggregate, have the full range of skills, knowledge and experience necessary to be able to effectively lead the Corporation in carrying out its roles, responsibilities and authorities under this Schedule.

(5) If the Lieutenant Governor in Council rejects a nomination made by a sponsor organization, the sponsor organization must submit a new nomination in accordance with subsection (3).

(6) To be eligible to become or remain a director, an individual

(a) must be at least 18 years of age, and

(b) must not be a member of the Sponsor Board.

21 Where an employer organization referred to in section 4(1)(b)(ii), (iii) or (iv) has authority to appoint a member of the Sponsor Board, the other employer organization referred to in the applicable subclause of that subsection has the authority to nominate an individual to the board of directors under section 20(2).

22(1) A director shall be appointed for a fixed term not exceeding 3 years and may be reappointed.

(3) A director ceases to hold office when

(a) the director's appointment expires, or

(b) the director's appointment is terminated.

23(1) The board of directors may make bylaws governing the business and affairs of the Corporation, including bylaws

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

- (e) specifying the majority required for passing resolutions of the board of directors;

(ii) in subsection (2)

(A) by repealing clause (a) and substituting the following:

- (a) if the board of directors has not made a bylaw with respect to the designation of a chair and a vice-chair of the board of directors, the directors appointed by the employer organizations shall designate the chair and the directors appointed by the employee organizations shall designate the vice-chair, and the power to designate the chair and the vice-chair shall rotate 3 years after the transition date and every 3 years after that period between the directors appointed by the employee organizations and the directors appointed by the employer organizations.

(B) by repealing clause (c) and substituting the following:

- (c) if the board of directors has not made a bylaw with respect to the majority required to pass resolutions of the board of directors, a resolution is passed if it is approved by the majority of the directors present at the meeting;

(C) in clause (d) by striking out “constitutes” and substituting “appointed by the employee organizations and a majority of the directors appointed by the employer organizations constitute”;

(m) in section 28 by repealing subsection (4) and substituting the following:

- (4)** Subject to subsection (5), as of the transition date, the policies of the participating employers in respect of the participation in the Plan of its employees whose aggregate of regularly scheduled hours of work is at least 14 hours per

(e) *subject to section 4(6)(b), specifying the majority required for passing resolutions of the board of directors;*

(2) *To the extent the board of directors has not made bylaws under subsection (1) that are applicable, the following provisions govern:*

(a) *if the board of directors has not made a bylaw with respect to the designation of a chair and a vice-chair of the board of directors, the Minister shall designate the chair and the vice-chair;*

(c) *if the board of directors has not made a bylaw with respect to the majority required to pass resolutions of the board of directors, then subject to section 4(6)(b), a resolution is passed if it is approved by a majority of the directors present at the meeting;*

(d) *if the board of directors has not made a bylaw with respect to quorum, a majority of the directors constitutes quorum.*

28(1) *As of the transition date, members participating in the Plan immediately prior to the transition date continue as members of the Plan*

(4) *Subject to subsection (5), as of the transition date, the policies of participating employers in respect of the participation in the Plan of its employees*

week or 728 hours per year, but is less than 30 hours per week, shall continue to apply, and shall not be amended, for a period of 3 years after the transition date.

(n) by adding the following immediately after section 29:

30(1) In this section

- (a) “successor employer” means a legal entity that
 - (i) due to one of the following events occurring after the transition date, becomes the employer of one or more employees who were active members of the Plan immediately prior to the event:
 - (A) the merger of a participating employer with another legal entity;
 - (B) the continuation of a participating employer as the legal entity;
 - (C) the transfer or assignment of all or a divisible part of the activities or undertakings of a participating employer to the legal entity,
- and
- (ii) was not a participating employer prior to the event described in subclause (i);
- (b) “succession event” means the occurrence of an event described in clause (a)(i).

(2) On a succession event,

- (a) *who are included in a bargaining unit or any other unit for collective bargaining, and*
- (b) *whose aggregate of regularly scheduled hours of work is at least 14 hours per week or 728 hours per year, but is less than 30 hours per week,*

shall continue to apply, and shall not be amended, for a period of 3 years after the transition date.

29(1) No employer participating in the Plan as of the transition date may withdraw from participation in the Plan for a period of 5 years following the transition date unless the withdrawal is specifically authorized by the Sponsor Board.

(2) After the 5-year period referred to in subsection (1), an employer may not withdraw from the Plan except in accordance with any rules made by the Sponsor Board or provisions of plan text, or both, governing the withdrawal of a participating employer from the Plan.

- (a) subject to any rules made by the Sponsor Board under section 9 and any prior contrary determination by the Sponsor Board, a successor employer becomes a participating employer, and
- (b) if clause (a) applies, the following employees of the successor employer continue or become members of the Plan:
 - (i) employees who were active members of the Plan immediately prior to the succession event;
 - (ii) if a majority of the employees of the successor employer, taking into account the employees referred to in subclause (i), are active members of the Plan, all of the remaining employees who are eligible in accordance with the plan text, unless otherwise determined by the Sponsor Board.

(3) If a successor employer becomes a participating employer in accordance with subsection (2)(a), but subsection (2)(b)(ii) does not apply, then notwithstanding the EPPA, the provisions of plan text and any rules made by the Sponsor Board, employees of a successor employer, other than those described in subsection (2)(b)(i), shall not be members of the Plan unless

- (a) their participation is approved by the successor employer and the Sponsor Board, or
- (b) the participation of those employees in the Plan is mandated by any applicable law relating to collective bargaining.

(4) A participating employer shall provide notice to the Corporation on becoming aware that an anticipated event or course of action involving the participating employer may constitute a succession event.

(5) The Sponsor Board may retroactively revoke a successor employer's status as a participating employer if

- (a) neither the Sponsor Board nor the Corporation received at least 30 days' prior notice of the succession event, and
- (b) notice of revocation is given to the successor employer by the later of
 - (i) 90 days after the Sponsor Board or the Corporation received notice of the succession event, and
 - (ii) 90 days after the succession event.

(o) by adding the following immediately after section 33(4):

- (5) Section 20(2)(a) of the EPPA does not apply to the Plan.
- (6) No solvency funding requirements prescribed under section 52(2)(a) of the EPPA apply to the Plan.

(p) by repealing section 33.1;

33(1) On the transition date, the Plan is deemed to be registered as a pension plan under Part 4 of the EPPA.

(4) Subject to this Act and this Schedule, the EPPA and the regulations under the EPPA apply to the Plan, and, for greater certainty,

(a) the Corporation shall administer the Plan in accordance with

(i) this Act and this Schedule, and

(ii) subject to this Act and this Schedule, the EPPA and the regulations under the EPPA,

(b) the Superintendent shall regulate the Plan in accordance with

(i) this Act and this Schedule, and

(ii) subject to this Act and this Schedule, the EPPA and the regulations under the EPPA,

and

(c) to the extent any responsibility of the Sponsor Board under this Act and this Schedule is governed by the EPPA, the Superintendent has all of the powers and duties under the EPPA in respect of the performance of those responsibilities as if they were direct responsibilities of the Sponsor Board under the EPPA.

33.1(1) Section 20(2)(a) of the EPPA does not apply to the Plan.

(2) No solvency funding requirements prescribed under section 52(2)(a) of the EPPA apply to the Plan.

(3) Notwithstanding any provisions of plan text to the contrary and section 1(1)(k)(i) of the EPPA, in relation to benefits that a person is or may

(q) in section 41

(i) in subsection (1)

(A) in clause (b) by striking out “nominated” and substituting “appointed”;

(B) in clause (h) by striking out “directors” wherever it occurs and substituting “directors and officers of the Corporation”;

(ii) in subsection (2)(b) by striking out “disclosure of director compensation” and substituting “Corporation”;

(r) by repealing sections 43 to 47.

become entitled to receive under a benefit formula provision of the Plan, “commuted value” means the actuarial present value of those benefits determined

- (a) using the actuarial assumptions used in the current actuarial valuation report to determine the going concern liabilities value of the Plan or any simplified actuarial assumptions that reasonably reflect the actuarial assumptions used in the current actuarial valuation report to determine the going concern liabilities value of the Plan, and*
 - (b) on the basis of actuarial assumptions and methods that are appropriate and in accordance with accepted actuarial practice.*
- (4) Notwithstanding section 34(3)(a) and any provisions of plan text to the contrary, section 57 of the EPPA applies to the Plan.*
- (5) For the purpose of subsection (3),*
- (a) “benefits” and “benefit formula provision” have the same meaning as under the EPPA, and*
 - (b) “actuarial valuation report” has the same meaning as under the regulations under the EPPA.*
- (6) Subsections (3) and (4) have effect on April 1, 2020.*

41(1) The Corporation shall maintain a publicly accessible website and disclose the following information on that website:

- (b) a listing of the current board of directors, including the names of the sponsor organizations that nominated the directors;*
 - (h) compensation paid to directors and amounts expended by the Corporation for reimbursement of expenses incurred by directors;*
- (2) For the purposes of disclosure under subsection (1)(h),*
- (b) the disclosure must be posted annually within the same timeframes as would be required if the Public Sector Compensation Transparency Act applied to the disclosure of director compensation.*

43 In this Part,

- (a) “AUPE” means The Alberta Union of Provincial Employees;*
- (b) “former provisions” means the provisions of this Schedule in force immediately before the coming into force of this Part.*

44(1) Notwithstanding section 4(1)(a)(ii) and (4), an individual who was a member of the Sponsor Board immediately before the coming into force of this Part, and who was appointed by AUPE under section 4(1)(a)(ii) of the former provisions, shall continue as a member of the Sponsor Board until the earlier of

- (a) the resignation of the member,*
- (b) the removal of the member by AUPE,*
- (c) the member becoming ineligible to be a member, and*
- (d) June 30, 2020.*

(2) Notwithstanding section 4(1)(a)(vi), the Corporation may not make an appointment under that section until the earlier of

- (a) the occurrence of a vacancy on the Sponsor Board arising from the resignation, removal or ineligibility of an individual who was appointed by AUPE under section 4(1)(a)(ii) of the former provisions, and*
- (b) July 1, 2020.*

(3) For greater certainty, AUPE may as of July 1, 2020 reappoint, under section 4(1)(a)(ii), any one individual referred to in subsection (1).

45(1) Subject to subsection (2), an individual who was a director immediately before the coming into force of this Part shall continue as a member of the board of directors until the earlier of

- (a) the expiry of the director's original appointment,*
- (b) the resignation of the director,*
- (c) the removal of the director in accordance with subsection (7), and*
- (d) the director becoming ineligible to be a director.*

(2) If 2 of the directors who continued as members of the board of directors under subsection (1) were appointed by AUPE under section 20(1) of the former provisions and both directors remain on the board of directors on April 1, 2020, AUPE shall, prior to April 30, 2020, designate one of the 2 directors for removal from the board of directors effective on June 30, 2020.

(3) A designation made under subsection (2) shall be made in writing and shall be delivered to the Corporation and to the Minister, respectively, by April 30, 2020.

(4) If subsection (2) applies and AUPE fails to notify in accordance with subsection (3), the Minister shall make the designation by June 30, 2020.

(3) Schedule 2 is amended

(a) in section 8 by adding the following immediately before clause (b):

(a) establishing a process for recruiting directors that provides for consultation among sponsor organizations with the objective of achieving on the board of directors of the Corporation the following as defined or determined in accordance with the rules:

(i) a suitable mix of competencies;

(5) A designation made under subsection (4) shall be made in writing and shall be delivered to the Corporation and to AUPE, respectively, by June 30, 2020.

(6) The appointment of the director designated for removal under subsection (2) or (4), whichever is applicable, is terminated on June 30, 2020.

(7) An individual who continues as a member of the board of directors under subsection (1) may be removed by notice in writing to the Corporation

(a) by the sponsor organization that appointed the member, or

(b) for misconduct while serving as a director, by resolution of the Sponsor Board.

(8) The Corporation must, in respect of each director continued as a member of the board of directors under subsection (1),

(a) on request, advise the Minister in writing of the date and term of that director's appointment, and

(b) promptly notify the Minister in writing on the resignation, removal or ineligibility of that director.

47(1) The investment management agreement made under the former provisions between the Corporation and Alberta Investment Management Corporation and effective on March 1, 2019 must be amended by the parties by December 31, 2020, having regard to the requirements of section 17.1.

(2) If the Corporation and Alberta Investment Management Corporation fail to comply with subsection (1), the investment management agreement is terminated as of December 31, 2020, notwithstanding the provisions of the agreement.

(3) Schedule 2 presently reads in part:

8(1) The Sponsor Board shall make rules

(b) determining the remuneration to be paid to the directors of the Corporation.

- (ii) a diversity of perspectives;
- (iii) gender balance;

(b) by adding the following immediately after section 12:

13 The Auditor General is not the auditor of the Corporation or the Plan.

14(1) Notwithstanding section 2(1) of the *Financial Administration Act*, the Corporation is not for the purpose of any enactment a Provincial corporation under that Act

(2) The Corporation is not for the purposes of any enactment a public agency as defined in the *Alberta Public Agencies Governance Act*.

(c) by repealing section 17 and substituting the following:

17(1) The Corporation must, through a services agreement, engage Alberta Pension Services Corporation as the exclusive provider to the Corporation of pension administration services for a period of at least 5 years commencing on the transition date.

(2) The Corporation must, through an investment management agreement, engage Alberta Investment Management Corporation as the exclusive provider to the Corporation of investment management services for a period of at least 5 years commencing on the transition date.

(3) The Corporation may arrange for the plan fund or any part of it to be held in the nominee name of an investment manager, and in that event

- (a) the investment manager shall hold such assets as bare trustee, and
- (b) such an arrangement shall not limit the role and responsibility of the Corporation as trustee of the plan fund.

12 The Corporation is not an agent of the Crown.

17(1) The Corporation must, through a services agreement, engage Alberta Pensions Services Corporation as the exclusive provider to the Corporation of pension administration services.

(2) If at any time there is no subsisting services agreement under subsection (1), the Minister may, by order, specify the terms and conditions in accordance with which Alberta Pensions Services Corporation must provide pension administration services to the Corporation.

(3) An order under subsection (2) has effect until the Corporation and Alberta Pensions Services Corporation enter into a services agreement under subsection (1).

(d) by repealing section 17.1;

(e) by adding the following immediately after section 19(3):

(4) The board of directors shall appoint an auditor for the Corporation.

(f) by repealing section 20 and substituting the following:

20(1) Subject to section 21, a sponsor organization that has authority under section 4(1), or under rules made by the Sponsor Board under section 8(2)(a), to appoint one or more members of the Sponsor Board may appoint the same number of members to the board of directors.

(2) To be eligible to become or remain a director, an individual

17.1(1) The Corporation is a designated entity under section 6(1) of the Alberta Investment Management Corporation Act in respect of the plan fund.

(2) Subject to subsections (3) and (4), the Corporation must, through an investment management agreement,

- (a) engage Alberta Investment Management Corporation as the exclusive provider to the Corporation of investment management services in respect of the plan fund, and*
- (b) ensure that all investments of the plan fund are managed by Alberta Investment Management Corporation.*

(3) The Corporation may exclude investments of the plan fund from an investment management agreement under subsection (2) if the funds invested are reasonably required to meet the expected current liabilities and operating expenses of the Corporation.

(4) The Minister may, by order, authorize the Corporation to exclude from an investment management agreement under subsection (2), for a fixed or indefinite period of time, specific investments or classes of investments of the plan fund but such investments must not make up more than 10% of the total value of the Corporation's investments at the time the order is made, excluding investments made under subsection (3).

(5) The Corporation may arrange for the plan fund or any part of it to be held in the nominee name of Alberta Investment Management Corporation, who must hold the assets as bare trustee.

(6) The arrangement made under subsection (5) shall not limit the role and responsibility of the Corporation as trustee of the plan fund.

19(1) The Corporation is governed by a board of directors appointed under section 20.

(3) In addition to remuneration authorized under subsection (2), the Corporation may reimburse directors for their reasonable expenses.

20(1) Subject to subsections (2) to (6), the Lieutenant Governor in Council shall appoint the members of the board of directors, and the board of directors shall consist of the same number of individuals that may be appointed to the Sponsor Board.

(2) Subject to section 21, a sponsor organization that has authority under section 4(1), or under rules made by the Sponsor Board under section 8(2)(a), to appoint one or more members of the Sponsor Board must nominate the same number of individuals for appointment to the board of directors.

(a) must be at least 18 years of age, and

(b) must not be a member of the Sponsor Board.

(3) Before appointing a director, a sponsor organization shall comply with any applicable rules made by the Sponsor Board under section 8(1)(a).

(4) A sponsor organization appoints a director by giving notice to the Corporation.

(5) A sponsor organization that has authority to appoint a director may by notice to the Corporation terminate the appointment of the relevant director.

(6) The Sponsor Board may by resolution and subsequent notice to the Corporation terminate the appointment of a director for misconduct while serving as a director.

(g) by repealing section 21 and substituting the following:

21 Where an employer organization referred to in section 4(1)(b)(ii) has authority to appoint a member of the Sponsor Board, the other employer organization referred to in section 4(1)(b)(ii) has the authority to appoint a director to the board of directors under section 20.

(h) in section 22(3)(b) by striking out “terminated” and substituting “terminated under section 20(5) or (6)”;

(i) in section 23(2)

(i) by repealing clause (a) and substituting the following:

(a) if the board of directors has not made a bylaw with respect to the designation of a chair and a vice-chair of

(3) On a vacancy, or prior to an expected vacancy, of a director position, the sponsor organization that is responsible for nominating to that position must, as soon as reasonably practicable, submit a nomination in writing to the Minister for consideration by the Lieutenant Governor in Council.

(4) In making an appointment, the Lieutenant Governor in Council shall have regard to the desirability of having a board of directors that is comprised of individuals who, in the aggregate, have the full range of skills, knowledge and experience necessary to be able to effectively lead the Corporation in carrying out its roles, responsibilities and authorities under this Schedule.

(5) If the Lieutenant Governor in Council rejects a nomination made by a sponsor organization, the sponsor organization must submit a new nomination in accordance with subsection (3).

(6) To be eligible to become or remain a director, an individual

(a) must be at least 18 years of age, and

(a) must not be a member of the Sponsor Board.

21 Where an employer organization referred to in section 4(1)(b)(ii) has authority to appoint a member of the Sponsor Board, the other employer organization referred to in that subclause has the authority to nominate an individual to the board of directors under section 20(2).

22(1) A director shall be appointed for a fixed term not exceeding 3 years and may be reappointed.

(3) A director ceases to hold office when

(a) the director's appointment expires, or

(b) the director's appointment is terminated.

23(1) The board of directors may make bylaws governing the business and affairs of the Corporation, including bylaws

(2) To the extent the board of directors has not made bylaws under subsection (1) that are applicable, the following provisions govern:

the board of directors, the directors appointed by the employer organizations shall designate the chair and the directors appointed by the employee organizations shall designate the vice-chair, and the power to designate the chair and the vice-chair shall rotate 3 years after the transition date and every 3 years after that period between the directors appointed by the employee organizations and the directors appointed by the employer organizations.

- (ii) **in clause (d) by striking out “constitutes” and substituting “appointed by the employee organizations and a majority of the directors appointed by the employer organizations constitute”;**
- (j) **in section 28 by repealing subsection (4) and substituting the following:**

(4) Subject to subsection (5), as of the transition date, the policies of the participating employers in respect of the participation in the Plan of its employees

- (a) whose aggregate of regularly scheduled hours of work is at least 14 hours per week or 728 hours per year, but is less than 30 hours per week, and
- (b) who are employed on a continuous basis such that there is no date or event, other than by reference to the attainment of a mandatory retirement age, if any, established for the termination of employment,

shall continue to apply, and shall not be amended, for a period of 3 years after the transition date.

- (k) **by adding the following immediately after section 29:**

30(1) In this section

- (a) “successor employer” means a legal entity that

(a) *if the board of directors has not made a bylaw with respect to the designation of a chair and a vice-chair of the board of directors, the Minister shall designate the chair and the vice-chair;*

(d) *if the board of directors has not made a bylaw with respect to quorum, a majority of the directors constitutes quorum.*

28(1) As of the transition date, members participating in the Plan immediately prior to the transition date continue as members of the Plan.

(4) Subject to subsection (5), as of the transition date, the policies of participating employers in respect of the participation in the Plan of its employees

(a) *who are included in a bargaining unit or any other unit for collective bargaining,*

(b) *whose aggregate of regularly scheduled hours of work is at least 14 hours per week or 728 hours per year, but is less than 30 hours per week, and*

(c) *who are employed on a continuous basis such that there is no date or event, other than by reference to the attainment of a mandatory retirement age, if any, established for the termination of employment,*

shall continue to apply, and shall not be amended, for a period of 3 years after the transition date.

29(1) No employer participating in the Plan as of the transition date may withdraw from participation in the Plan for a period of 5 years following the transition date unless the withdrawal is specifically authorized by the Sponsor Board.

(2) After the 5-year period referred to in subsection (1), an employer may not withdraw from the Plan except in accordance with any rules made by the Sponsor Board or provisions of plan text, or both, governing the withdrawal of a participating employer from the Plan.

(i) due to one of the following events occurring after the transition date, becomes the employer of one or more employees who were active members of the Plan immediately prior to the event:

(A) the merger of a participating employer with another legal entity;

(B) the continuation of a participating employer as the legal entity;

(C) the transfer or assignment of all or a divisible part of the activities or undertakings of a participating employer to the legal entity,

and

(ii) was not a participating employer prior to the event described in subclause (i);

(b) “succession event” means the occurrence of an event described in clause (a)(i).

(2) On a succession event,

(a) subject to any rules made by the Sponsor Board under section 9 and any prior contrary determination by the Sponsor Board, a successor employer becomes a participating employer, and

(d) if clause (a) applies, the following employees of the successor employer continue or become members of the Plan:

(i) employees who were active members of the Plan immediately prior to the succession event;

(ii) if a majority of the employees of the successor employer, taking into account the employees referred to in subclause (i), are active members of the Plan, all of the remaining employees who are

eligible in accordance with the plan text, unless otherwise determined by the Sponsor Board.

(3) If a successor employer becomes a participating employer in accordance with subsection (2)(a), but subsection (2)(b)(ii) does not apply, then notwithstanding the EPPA, the provisions of plan text and any rules made by the Sponsor Board, employees of a successor employer, other than those described in subsection (2)(b)(i), shall not be members of the Plan unless

- (a) their participation is approved by the successor employer and the Sponsor Board, or
- (b) the participation of those employees in the Plan is mandated by any applicable law relating to collective bargaining.

(4) A participating employer shall provide notice to the Corporation on becoming aware that an anticipated event or course of action involving the participating employer may constitute a succession event.

(5) The Sponsor Board may retroactively revoke a successor employer's status as a participating employer if

- (a) neither the Sponsor Board nor the Corporation received at least 30 days' prior notice of the succession event, and
- (b) notice of revocation is given to the successor employer by the later of
 - (i) 90 days after the Sponsor Board or the Corporation received notice of the succession event, and
 - (ii) 90 days after the succession event.

(I) by adding the following immediately after section 33(4):

(5) Section 20(2)(a) of the EPPA does not apply to the Plan.

(6) No solvency funding requirements prescribed under section 52(2)(a) of the EPPA apply to the Plan.

33(1) On the transition date, the Plan is deemed to be registered as a pension plan under Part 4 of the EPPA.

(4) Subject to this Act and this Schedule, the EPPA and the regulations under the EPPA apply to the Plan, and, for greater certainty,

(a) the Corporation shall administer the Plan in accordance with

(m) by repealing section 33.1;

- (i) *this Act and this Schedule, and*
- (ii) *subject to this Act and this Schedule, the EPPA and the regulations under the EPPA,*
- (b) *the Superintendent shall regulate the Plan in accordance with*
 - (i) *this Act and this Schedule, and*
 - (ii) *subject to this Act and this Schedule, the EPPA and the regulations under the EPPA,*

and

- (c) *to the extent any responsibility of the Sponsor Board under this Act and this Schedule is governed by the EPPA, the Superintendent has all of the powers and duties under the EPPA in respect of the performance of those responsibilities as if they were direct responsibilities of the Sponsor Board under the EPPA.*

33.1(1) Section 20(2)(a) of the EPPA does not apply to the Plan.

(2) No solvency funding requirements prescribed under section 52(2)(a) of the EPPA apply to the Plan.

(3) Notwithstanding any provisions of plan text to the contrary and section 1(1)(k)(i) of the EPPA, in relation to benefits that a person is or may become entitled to receive under a benefit formula provision of the Plan, “commuted value” means the actuarial present value of those benefits determined

- (a) *using the actuarial assumptions used in the current actuarial valuation report to determine the going concern liabilities value of the Plan or any simplified actuarial assumptions that reasonably reflect the actuarial assumptions used in the current actuarial valuation report to determine the going concern liabilities value of the Plan, and*
- (b) *on the basis of actuarial assumptions and methods that are appropriate and in accordance with accepted actuarial practice.*

(4) Notwithstanding section 34(3)(a) and any provisions of plan text to the contrary, section 57 of the EPPA applies to the Plan.

(5) For the purpose of subsection (3),

- (a) *“benefits” and “benefit formula provision” have the same meaning as under the EPPA, and*
- (b) *“actuarial valuation report” has the same meaning as under the regulations under the EPPA.*

(n) in section 41

(i) in subsection (1)

(A) in clause (b) by striking out “nominated” and substituting “appointed”;

(B) in clause (h) by striking out “directors” wherever it occurs and substituting “directors and officers of the Corporation”;

(ii) in subsection (2)(b) by striking out “disclosure of director compensation” and substituting “Corporation”;

(o) by repealing sections 43 to 47.

(6) Subsections (3) and (4) have effect on April 1, 2020.

41(1) The Corporation shall maintain a publicly accessible website and disclose the following information on that website:

- (b) a listing of the current board of directors, including the names of the sponsor organizations that nominated the directors;
- (h) compensation paid to directors and amounts expended by the Corporation for reimbursement of expenses incurred by directors;

(2) For the purposes of disclosure under subsection (1)(h),

- (b) the disclosure must be posted annually within the same timeframes as would be required if the Public Sector Compensation Transparency Act applied to the disclosure of director compensation.

43 In this Part, “former provisions” means the provisions of this Schedule in force immediately before the coming into force of this Part.

44(1) An individual who was a director immediately before the coming into force of this Part shall continue as a member of the board of directors until the earlier of

- (a) the expiry of the director’s original appointment,
- (b) the resignation of the director,
- (c) the removal of the director in accordance with subsection (2), and
- (d) the director becoming ineligible to be a director.

(2) An individual who continues as a member of the board of directors under subsection (1) may be removed by notice in writing to the Corporation

- (a) by the sponsor organization that appointed the member, or
- (b) for misconduct while serving as a director, by resolution of the Sponsor Board.

(3) The Corporation must, in respect of each director continued as a member of the board of directors under subsection (1),

- (a) on request, advise the Minister in writing of the date and term of that director’s appointment, and

(4) Schedule 3 is amended

(a) in section 7 by adding the following immediately before clause (b):

- (a) establishing a process for recruiting directors that provides for consultation among sponsor organizations with the objective of achieving on the board of directors of the Corporation the following as defined or determined in accordance with the rules:
 - (i) a suitable mix of competencies;
 - (ii) a diversity of perspectives;
 - (iii) gender balance;

(b) by adding the following immediately after section 11:

12 The Auditor General is not the auditor of the Corporation or the Plan.

13 The Corporation is not for the purposes of any enactment a Provincial corporation as defined in the *Financial Administration Act* or a public agency as defined in the *Alberta Public Agencies Governance Act*.

(c) by repealing section 16 and substituting the following:

- (b) *promptly notify the Minister in writing on the resignation, removal or ineligibility of that director.*

45(1) The pension services agreement made under the former provisions between the Corporation and Alberta Pensions Services Corporation and effective on March 1, 2019 must be amended by the parties by December 31, 2020, having regard to the requirements of section 17(1).

(2) If the Corporation and Alberta Pensions Services Corporation fail to comply with subsection (1), the pension services agreement is terminated as of December 31, 2020, notwithstanding the provisions of the agreement.

46(1) The investment management agreement made under the former provisions between the Corporation and Alberta Investment Management Corporation and effective on March 1, 2019 must be amended by the parties by December 31, 2020, having regard to the requirements of section 17.1.

(2) If the Corporation and Alberta Investment Management Corporation fail to comply with subsection (1), the investment management agreement is terminated as of December 31, 2020, notwithstanding the provisions of the agreement.

(4) Schedule 3 presently reads in part:

7(1) The Sponsor Board shall make rules

- (b) *determining the remuneration to be paid to the directors of the Corporation.*

11 The Corporation is not an agent of the Crown.

16(1) The Corporation must, through a services agreement, engage Alberta Pension Services Corporation as the exclusive provider to the Corporation of pension administration services for a period of at least 5 years commencing on the transition date.

(2) The Corporation must, through an investment management agreement, engage Alberta Investment Management Corporation as the exclusive provider to the Corporation of investment management services for a period of at least 5 years commencing on the transition date.

(3) The Corporation may arrange for the plan fund or any part of it to be held in the nominee name of an investment manager, and in that event

- (a) the investment manager shall hold such assets as bare trustee, and
- (b) such an arrangement shall not limit the role and responsibility of the Corporation as trustee of the plan fund.

(d) by repealing section 16.1;

16(1) The Corporation must, through a services agreement, engage Alberta Pensions Services Corporation as the exclusive provider to the Corporation of pension administration services.

(2) If at any time there is no subsisting services agreement under subsection (1), the Minister may, by order, specify the terms and conditions in accordance with which Alberta Pensions Services Corporation must provide pension administration services to the Corporation.

(3) An order under subsection (2) has effect until the Corporation and Alberta Pensions Services Corporation enter into a services agreement under subsection (1).

16.1(1) The Corporation is a designated entity under section 6(1) of the Alberta Investment Management Corporation Act in respect of the plan fund.

(2) Subject to subsections (3) and (4), the Corporation must, through an investment management agreement,

- (a) engage Alberta Investment Management Corporation as the exclusive provider to the Corporation of investment management services in respect of the plan fund, and*
- (b) ensure that all investments of the plan fund are managed by Alberta Investment Management Corporation.*

(3) The Corporation may exclude investments of the plan fund from an investment management agreement under subsection (2) if the funds invested are reasonably required to meet the expected current liabilities and operating expenses of the Corporation.

(4) The Minister may, by order, authorize the Corporation to exclude from an investment management agreement under subsection (2), for a fixed or indefinite period of time, specific investments or classes of investments of the plan fund but such investments must not make up more than 10% of the total value of the Corporation's investments at the time the order is made, excluding investments made under subsection (3).

(e) by adding the following immediately after section 18(3):

(4) The board of directors shall appoint an auditor for the Corporation.

(f) by repealing section 19 and substituting the following:

19(1) A sponsor organization, or a group of sponsor organizations referred to in section 4(5), that has authority under section 4(1), or under rules made by the Sponsor Board under section 7(2)(a), to appoint one or more members of the Sponsor Board may appoint the same number of members to the board of directors.

(2) To be eligible to become or remain a director, an individual

(a) must be at least 18 years of age, and

(b) must not be a member of the Sponsor Board.

(3) Before appointing a director, a sponsor organization shall comply with any applicable rules made by the Sponsor Board under section 7(1)(a).

(4) A sponsor organization appoints a director by giving notice to the Corporation.

(5) A sponsor organization that has authority to appoint a director may by notice to the Corporation terminate the appointment of the relevant director.

(6) The Sponsor Board may by resolution and subsequent notice to the Corporation terminate the appointment of a director for misconduct while serving as a director.

(g) in section 20(3)(b) by striking out “terminated” and substituting “terminated under section 19(5) or (6)”;

(5) The Corporation may arrange for the plan fund or any part of it to be held in the nominee name of Alberta Investment Management Corporation, who must hold the assets as bare trustee.

(6) The arrangement made under subsection (5) shall not limit the role and responsibility of the Corporation as trustee of the plan fund.

18(1) The Corporation is governed by a board of directors appointed under section 19.

(3) In addition to remuneration authorized under subsection (2), the Corporation may reimburse directors for their reasonable expenses.

19(1) Subject to subsections (2) to (6), the Lieutenant Governor in Council shall appoint the members of the board of directors, and the board of directors shall consist of the same number of individuals that may be appointed to the Sponsor Board.

(2) A sponsor organization, or a group of sponsor organizations referred to in section 4(5), that has authority under section 4(1), or under rules made by the Sponsor Board under section 7(2)(a), to appoint one or more members of the Sponsor Board must nominate the same number of individuals for appointment to the board of directors.

(3) On a vacancy, or prior to an expected vacancy, of a director position, the sponsor organization that is responsible for nominating to that position must, as soon as reasonably practicable, submit a nomination in writing to the Minister for consideration by the Lieutenant Governor in Council.

(4) In making an appointment, the Lieutenant Governor in Council shall have regard to the desirability of having a board of directors that is comprised of individuals who, in the aggregate, have the full range of skills, knowledge and experience necessary to be able to effectively lead the Corporation in carrying out its roles, responsibilities and authorities under this Schedule.

(5) If the Lieutenant Governor in Council rejects a nomination made by a sponsor organization, the sponsor organization must submit a new nomination in accordance with subsection (3).

(6) To be eligible to become or remain a director, an individual

(a) must be at least 18 years of age, and

(b) must not be a member of the Sponsor Board.

20(1) A director shall be appointed for a fixed term not exceeding 3 years and may be reappointed.

(h) in section 21(2)

(i) by repealing clause (a) and substituting the following:

- (a) if the board of directors has not made a bylaw with respect to the designation of a chair and a vice-chair of the board of directors, the directors appointed by the employer organizations shall designate the chair and the directors appointed by the employee organizations shall designate the vice-chair, and the power to designate the chair and the vice-chair shall rotate 3 years after the transition date and every 3 years after that period between the directors appointed by the employee organizations and the directors appointed by the employer organizations.

(ii) in clause (d) by striking out “constitutes” and substituting “appointed by the employee organizations and a majority of the directors appointed by the employer organizations constitute”;

(i) by adding the following immediately after section 27:

28(1) In this section

- (a) “successor employer” means a legal entity that
- (i) due to one of the following events occurring after the transition date, becomes the employer of one or more employees who were active members of the Plan immediately prior to the event:
- (A) the merger of a participating employer with another legal entity;
- (B) the continuation of a participating employer as the legal entity;
- (C) the transfer or assignment of all or a divisible part of the activities or undertakings of a participating employer to the legal entity,

and

(3) A director ceases to hold office when

(b) the director's appointment is terminated.

21(1) The board of directors may make bylaws governing the business and affairs of the Corporation, including bylaws

(2) To the extent the board of directors has not made bylaws under subsection (1) that are applicable, the following provisions govern:

(a) if the board of directors has not made a bylaw with respect to the designation of a chair and a vice-chair of the board of directors, the Minister shall designate the chair and the vice-chair;

(d) if the board of directors has not made a bylaw with respect to quorum, a majority of the directors constitutes quorum.

27(1) No employer participating in the Plan as of the transition date may withdraw from participation in the Plan for a period of 5 years following the transition date unless the withdrawal is specifically authorized by the Sponsor Board.

(2) After the 5-year period referred to in subsection (1), an employer may not withdraw from the Plan except in accordance with any rules made by the Sponsor Board or provisions of plan text, or both, governing the withdrawal of a participating employer from the Plan.

- (ii) was not a participating employer prior to the event described in subclause (i);
 - (b) “succession event” means the occurrence of an event described in clause (a)(i).
- (2)** On a succession event,
- (a) subject to any rules made by the Sponsor Board under section 9 and any prior contrary determination by the Sponsor Board, a successor employer becomes a participating employer, and
 - (b) if clause (a) applies, the following employees of the successor employer continue or become members of the Plan:
 - (i) employees who were active members of the Plan immediately prior to the succession event;
 - (ii) if a majority of the employees of the successor employer, taking into account the employees referred to in subclause (i), are active members of the Plan, all of the remaining employees who are eligible in accordance with the plan text, unless otherwise determined by the Sponsor Board.
- (3)** If a successor employer becomes a participating employer in accordance with subsection (2)(a), but subsection (2)(b)(ii) does not apply, then notwithstanding the EPPA, the provisions of plan text and any rules made by the Sponsor Board, employees of a successor employer, other than those described in subsection (2)(b)(i), shall not be members of the Plan unless
- (a) their participation is approved by the successor employer and the Sponsor Board, or
 - (b) the participation of those employees in the Plan is mandated by any applicable law relating to collective bargaining.
- (4)** A participating employer shall provide notice to the Corporation on becoming aware that an anticipated event or course of action involving the participating employer may constitute a succession event.

(5) The Sponsor Board may retroactively revoke a successor employer's status as a participating employer if

(a) neither the Sponsor Board nor the Corporation received at least 30 days' prior notice of the succession event, and

(b) notice of revocation is given to the successor employer by the later of

(i) 90 days after the Sponsor Board or the Corporation received notice of the succession event, and

(ii) 90 days after the succession event.

(j) by adding the following immediately after section 31(4):

(5) Section 20(2)(a) of the EPPA does not apply to the Plan.

(6) No solvency funding requirements prescribed under section 52(2)(a) of the EPPA apply to the Plan.

(p) by repealing section 31.1;

31(1) On the transition date, the Plan is deemed to be registered as a pension plan under Part 4 of the EPPA.

(4) Subject to this Act and this Schedule, the EPPA and the regulations under the EPPA apply to the Plan, and, for greater certainty,

(a) the Corporation shall administer the Plan in accordance with

(i) this Act and this Schedule, and

(ii) subject to this Act and this Schedule, the EPPA and the regulations under the EPPA,

(b) the Superintendent shall regulate the Plan in accordance with

(i) this Act and this Schedule, and

(ii) subject to this Act and this Schedule, the EPPA and the regulations under the EPPA,

and

(c) to the extent any responsibility of the Sponsor Board under this Act and this Schedule is governed by the EPPA, the Superintendent has all of the powers and duties under the EPPA in respect of the performance of those responsibilities as if they were direct responsibilities of the Sponsor Board under the EPPA.

31.1(1) Section 20(2)(a) of the EPPA does not apply to the Plan.

(2) No solvency funding requirements prescribed under section 52(2)(a) of the EPPA apply to the Plan.

(3) Notwithstanding any provisions of plan text to the contrary and section 1(1)(k)(i) of the EPPA, in relation to benefits that a person is or may become entitled to receive under a benefit formula provision of the Plan,

- (q) in section 40**
 - (i) in subsection (1)**
 - (A) in clause (b) by striking out “nominated” and substituting “appointed”;**
 - (B) in clause (h) by striking out “directors” wherever it occurs and substituting “directors and officers of the Corporation”;**
 - (ii) in subsection (2)(b) by striking out “disclosure of director compensation” and substituting “Corporation”;**

- (r) by repealing sections 42 to 45.**

“commuted value” means the actuarial present value of those benefits determined

(a) *using the actuarial assumptions used in the current actuarial valuation report to determine the going concern liabilities value of the Plan or any simplified actuarial assumptions that reasonably reflect the actuarial assumptions used in the current actuarial valuation report to determine the going concern liabilities value of the Plan, and*

(b) *on the basis of actuarial assumptions and methods that are appropriate and in accordance with accepted actuarial practice.*

(4) *Notwithstanding section 32(3)(a) and any provisions of plan text to the contrary, section 57 of the EPPA applies to the Plan.*

(5) *For the purpose of subsection (3),*

(a) *“benefits” and “benefit formula provision” have the same meaning as under the EPPA, and*

(b) *“actuarial valuation report” has the same meaning as under the regulations under the EPPA.*

(6) *Subsections (3) and (4) have effect on April 1, 2020.*

40(1) *The Corporation shall maintain a publicly accessible website and disclose the following information on that website:*

(b) *a listing of the current board of directors, including the names of the sponsor organizations that nominated the directors;*

(h) *compensation paid to directors and amounts expended by the Corporation for reimbursement of expenses incurred by directors;*

(2) *For the purposes of disclosure under subsection (1)(h),*

(b) *the disclosure must be posted annually within the same timeframes as would be required if the Public Sector Compensation Transparency Act applied to the disclosure of director compensation.*

42 *In this Part, “former provisions” means the provisions of this Schedule in force immediately before the coming into force of this Part.*

43(1) *An individual who was a director immediately before the coming into force of this Part shall continue as a member of the board of directors until the earlier of*

(a) *the expiry of the director’s original appointment,*

Amends RSA 2000 cT-1

9(1) The *Teachers' Pension Plans Act* is amended by this section.

(2) Sections 17.1 to 17.3 are repealed.

- (b) *the resignation of the director,*
- (c) *the removal of the director in accordance with subsection (2), and*
- (d) *the director becoming ineligible to be a director.*

(2) *An individual who continues as a member of the board of directors under subsection (1) may be removed by notice in writing to the Corporation*

- (a) *by the sponsor organization that appointed the member, or*
- (b) *for misconduct while serving as a director, by resolution of the Sponsor Board.*

(3) *The Corporation must, in respect of each director continued as a member of the board of directors under subsection (1),*

- (a) *on request, advise the Minister in writing of the date and term of that director's appointment, and*
- (b) *promptly notify the Minister in writing on the resignation, removal or ineligibility of that director.*

44(1) The pension services agreement made under the former provisions between the Corporation and Alberta Pensions Services Corporation and effective on March 1, 2019 must be amended by the parties by December 31, 2020, having regard to the requirements of section 16(1).

(2) If the Corporation and Alberta Pensions Services Corporation fail to comply with subsection (1), the pension services agreement is terminated as of December 31, 2020, notwithstanding the provisions of the agreement.

45(1) The investment management agreement made under the former provisions between the Corporation and Alberta Investment Management Corporation and effective on March 1, 2019 must be amended by the parties by December 31, 2020, having regard to the requirements of section 16.1.

(2) If the Corporation and Alberta Investment Management Corporation fail to comply with subsection (1), the investment management agreement is terminated as of December 31, 2020, notwithstanding the provisions of the agreement.

9(1) Amends chapter T-1 of the Revised Statutes of Alberta 2000

(2) Sections 17.1 to 17.03 presently read:

17.1(1) The Board shall establish a statement of investment policies and goals having regard to any restrictions on investment set out in the regulations.

(2) The Board shall ensure that the Pension Funds are invested in accordance with the statement of investment policies and goals.

17.2(1) The Board is a designated entity under section 6(1) of the Alberta Investment Management Corporation Act in respect of the Pension Funds.

(2) Subject to subsections (4) and (5), the Board shall, through an investment management agreement,

- (a) engage Alberta Investment Management Corporation as the exclusive provider to the Board of investment management services in respect of the Pension Funds, and*
- (b) ensure that all investments of the Pension Funds are managed by Alberta Investment Management Corporation.*

(3) The investment management agreement must take effect as soon as possible, but no later than June 30, 2020 or such later date as set by order of the Finance Minister.

(4) The Board may exclude investments of the Pension Funds from an investment management agreement under subsection (2) if the funds invested are reasonably required to meet the Board's expected current liabilities and operating expenses.

(5) The Finance Minister may by order authorize the Board to exclude from an investment management agreement under subsection (2), for a fixed or indefinite period of time, specific investments or classes of investments of the Pension Funds but such investments must not make up more than 10% of the total value of the Board's investments at the time the order is made, excluding investments made under subsection (4).

17.3(1) Subject to section 17.2(4) and (5), the Board shall, in conjunction with Alberta Investment Management Corporation, establish as soon as possible, but no later than December 31, 2020, a plan to transfer the management of the following investments to Alberta Investment Management Corporation:

- (a) investments made by the Board itself;*
- (b) investments made by or through any other person.*

(2) For the purposes of section 17.2(2)(b), the Board shall transfer the management of the investments referred to in subsection (1) as soon as possible after the parties enter into an investment management agreement and in any case no later than December 31, 2021.

(3) The Finance Minister may by order, subject to any terms and conditions that the Finance Minister considers appropriate,

- (a) extend a deadline referred to in subsection (1) or (2), or*
- (b) direct the Board to transfer the management of any investments referred to in subsection (1) to Alberta Investment Management Corporation if*
 - (i) the parties fail to establish a plan under subsection (1), or*
 - (ii) in the Finance Minister's opinion, the parties fail to make sufficient progress towards the transfer of the management of investments under subsection (2).*

Record of Debate

STAGE	DATE	MEMBER	FROM	TO	TOTAL	CUMULATIVE TOTAL