

2020 Bill 208

Second Session, 30th Legislature, 69 Elizabeth II

THE LEGISLATIVE ASSEMBLY OF ALBERTA

BILL 208

**ALBERTA INVESTMENT MANAGEMENT CORPORATION
AMENDMENT ACT, 2020**

MS. PHILLIPS

First Reading

Second Reading

Committee of the Whole

Third Reading

Royal Assent

BILL 208

2020

ALBERTA INVESTMENT MANAGEMENT CORPORATION AMENDMENT ACT, 2020

(Assented to _____, 2020)

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

Amends SA 2007 cA-26.5

1(1) The *Alberta Investment Management Corporation Act* is amended by this Act.

(2) Section 4 is amended by striking out subsection (1) and substituting the following:

Board appointments

4(1) In this section,

- (a) “Local Authorities Pension Plan Board” means the board of directors as defined in section 1(1)(a.1) of Schedule 1 of the *Joint Governance of Public Sector Pension Plans Act*;
- (b) “Public Service Pension Plan Board” means the board of directors as defined in section 1(1)(a) of Schedule 2 of the *Joint Governance of Public Sector Pension Plans Act*;
- (c) “Special Forces Pension Plan Board” means the board of directors as defined in section 1(1)(a) of Schedule 3 of the *Joint Governance of Public Sector Pension Plans Act*;

Explanatory Notes

Alberta Investment Management Corporation Act

1(1) Amends chapter A-26.5 of the Statutes of Alberta, 2007.

(2) Section 4 presently reads:

4(1) There shall be a board of directors consisting of not more than 11 members appointed by the Lieutenant Governor in Council.

(2) The Lieutenant Governor in Council shall designate one of the members as chair.

(3) The Lieutenant Governor in Council may make regulations respecting the remuneration of members of the board.

(4) If regulations under the Alberta Public Agencies Governance Act apply in respect of the remuneration of members of the board, those regulations prevail, to the extent of any conflict or inconsistency, over any regulations made under subsection (3).

(d) “Teachers’ Pension Plan Board” means the board as defined in section 1(1)(b) of the *Teachers’ Pension Plans Act*.

(1.1) The board of directors of the Corporation is established consisting of not more than 15 members.

(1.2) The membership of the board of directors is to be determined as follows:

- (a) the Local Authorities Pension Plan Board may appoint one member;
- (b) the Public Service Pension Plan Board may appoint one member;
- (c) the Special Forces Pension Plan Board may appoint one member;
- (d) the Teachers’ Pension Plan Board may appoint one member;
- (e) the Lieutenant Governor in Council may, in accordance with the regulations, appoint up to 11 members.

(1.3) For greater certainty, the power to appoint a member under subsection (1.2) includes the power to remove or replace that member.

(3) Section 17 is struck out and the following substituted:

Corporation to make investment decisions

17 The Corporation must

- (a) invest its funds only as a participant under section 40 of the *Financial Administration Act*, and
- (b) make all transactional investment decisions in respect of the investing of its funds in accordance with a statement of investment policy and goals directive issued under section 19.

(4) Section 19 is struck out and the following substituted:

Statement of investment policy and goals directive

19(1) The Treasury Board may, with reasonable notice to the Corporation and as it determines necessary

(3) Section 17 presently reads:

17 The Corporation may invest its funds, including reserve funds, only in accordance with the regulations.

(4) Section 19 presently reads:

19 The Treasury Board may issue directives that must be followed by the Corporation, the board, or both, in carrying out their powers and duties under this Act and the regulations.

- (a) issue to the Corporation a statement of investment policy and goals directive, or
- (b) make changes to or wholly replace a statement of investment policy and goals directive.

(2) A statement of investment policy and goals directive must set out the principles, goals, parameters and standards that the Corporation is required to adhere to when making transactional investment decisions under section 17(b).

(5) The following is added immediately after section 19.1:

Referendum required if Alberta Pension Plan established

19.2(1) In this section,

- (a) “federal Minister” means the Minister referred to in section 3(1)(b) of the *Canada Pension Plan* (Canada);
- (b) “CPP withdrawal notice” means the written notice referred to in section 3(1)(b) of the *Canada Pension Plan* (Canada) that is provided by a member of the Executive Council to the federal Minister stating the Government’s intention to establish and operate in Alberta a plan of old age pensions and supplemental benefits in lieu of the operation of the Canada Pension Plan.

(2) Within 90 days of the date on which a member of the Executive Council provides the CPP withdrawal notice to the federal Minister, a referendum must be conducted under the *Referendum Act* as if the Lieutenant Governor in Council had made, on that same date, an order under section 5.1(1) of that Act specifying the following:

- (a) the question to be put to the electors is as follows:

Should the Alberta Investment Management Corporation provide investment management services to the Alberta Pension Plan?

- (b) the referendum is to be held separately as a stand-alone referendum within 90 days of the date of the making of this order;
- (c) the referendum is to be held throughout all of Alberta;
- (d) the results of the referendum are binding;

(5) Section 19 presently reads:

19.1(1) In this section, “directive” means

(a) a directive issued under section 19,

(b) a directive issued by Treasury Board pursuant to section 7 of the Financial Administration Act,

(b.1) a policy set pursuant to section 10 of the Alberta Public Agencies Governance Act, and

(c) any other directive or direction issued under another enactment.

(2) The board shall ensure that any directive issued to the board, and the Corporation shall ensure that any directive issued to the Corporation, is implemented in a prompt and efficient manner and in accordance with section 11(b), and compliance by the board or the Corporation, as the case may be, with any directive is deemed to be in compliance with section 11(a).

(e) the referendum is to be conducted by mail-in ballot.

(6) Section 20(l) is repealed.

(6) Section 20 presently reads:

20 The Lieutenant Governor in Council may make regulations

- (a) respecting the form and contents of investment management agreements;*
- (b) respecting appointments to the board, including eligibility and qualifications for appointment;*
- (c) respecting conflict of interest guidelines, codes of conduct and any other guidelines and policies in respect of the board and employees of the Corporation;*
- (d) respecting terms and conditions for the purpose of section 6(3);*
- (e) respecting the standard of care required of persons providing investment management services under this Act;*
- (f) respecting any terms and conditions of an indemnity given under section 12;*
- (g) respecting the preparation of records and accounts under section 13(1);*
- (h) respecting the establishment and maintenance of reserve funds, including the maximum amounts that can be held in a reserve fund;*
- (i) respecting the establishment and maintenance of pooled funds and other funds;*
- (j) respecting the charging of costs and expenses of the Corporation and for amounts for funding reserve funds against designated entities or their funds;*
- (k) defining terms that are used but not defined in this Act;*
- (l) respecting the investment of the Corporation's funds and reserve funds;*
- (m) respecting the borrowing of money by the Corporation when authorized under section 18(1);*
- (n) respecting the giving of guarantees by the Corporation under section 18(2);*
- (o) respecting the collection, use and disclosure of information, including personal information, under section 13;*

Amends AR 225/2007

2 Section 6(1) of the *Alberta Investment Management Corporation Regulation* is amended by striking out “the appointment of any individual to the board” and substituting “the appointment of any individual to the board by the Lieutenant Governor in Council”.

Coming into force

3 This Act comes into force on Proclamation.

(p) respecting the application of this Act and the regulations to subsidiaries of the Corporation;

(q) respecting generally the operation of the Corporation;

(r) generally to carry out the intent and purposes of this Act.

Alberta Investment Management Corporation Regulation

2 Amends Alberta Regulation 225/2007.

Section 6(1) presently reads:

6(1) The Minister shall establish a nominating committee to advise the Minister regarding the appointment of any individual to the board.

3 Coming into force

