

2002

CHAPTER 35

An Act to amend *The Municipal Employees' Pension Act*

(Assented to July 3, 2002)

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

Short title

1 This Act may be cited as *The Municipal Employees' Pension Amendment Act, 2002*.

R.S.S. 1978, c.M-26 amended

2 *The Municipal Employees' Pension Act* is amended in the manner set forth in this Act.

Section 16 amended

3 The following subsections are added after subsection 16(1.32):

“(1.33) Notwithstanding any other provision of this Act, where, pursuant to subsection (1.31), the commission has waived the requirements of the employee and the employer to make contributions, the commission may require the employee to request The Workers' Compensation Board to pay into the fund, pursuant to clause 74(2)(b) of *The Workers' Compensation Act, 1979*, the amount set aside by The Workers' Compensation Board pursuant to subsection 74(1) of that Act with respect to the period for which contributions are waived.

“(1.34) Notwithstanding any other provision of this Act, where the amount mentioned in subsection (1.33) is not paid into the fund, the commission shall, with respect to the period for which contributions are waived, reduce the amount of any allowance, refund of contributions or transfer out of the fund to which the employee becomes entitled by the amount determined by the commission to be the value of any annuity to which the employee may be entitled pursuant to *The Workers' Compensation Act, 1979* with respect to the same period.

“(1.35) The commission may establish guidelines for the calculation of the amounts mentioned in subsection (1.34)”.

Section 16.3 amended

4 Subsection 16.3(2) is amended by striking out “that employer” and substituting “an employer”.

New section 16.4

5 The following section is added after section 16.3:**“Purchase of pre-designation service - firefighters, police officers****16.4(1) In this section:**

(a) **‘designated member’** means a member who has contributory service in the plan as a police officer or firefighter with respect to a period before the member was designated pursuant to subsection 40(2) and with respect to a period after that designation;

(b) **‘pre-designation service’** means a period of service of a designated member as a police officer or firefighter before the member was designated pursuant to subsection 40(2).

(2) A designated member who has not terminated employment with an employer may, in accordance with this section, elect to count a period of pre-designation service with that employer as contributory service with respect to the period after the designation.

(3) Subject to subsection (7), a designated member who makes an election pursuant to subsection (2) shall pay into the fund the amount A calculated in accordance with the following formula:

$$A = NAR - (PDAR + DAR)$$

where:

NAR is the amount required by the fund for the purpose of providing an allowance to the designated member after the election has been made;

PDAR is the amount required by the fund for the purpose of providing an allowance to the designated member with respect to the period of pre-designation service; and

DAR is the amount required by the fund for the purpose of providing an allowance to the designated member with respect to the period of service provided by the member after the member was designated pursuant to subsection 40(2).

(4) A designated member who has not terminated employment with an employer may, in accordance with this section, elect to commence receiving an allowance with respect to a period of pre-designation service with an employer on the same date that the member is entitled to commence receiving an allowance with respect to the period after the designation.

(5) Where a designated member makes an election pursuant to subsection (4), sections 40 and 41 apply to the allowance payable with respect to the period of pre-designation service:

(a) only if they apply to the allowance payable with respect to the period of service with the employer after the designation; and

(b) only to the extent that they apply to the allowance mentioned in clause (a).

(6) Subject to subsection (7), a designated member who makes an election pursuant to subsection (4) shall pay to the fund the amount A calculated in accordance with the following formula:

$$A = \text{EAR} - \text{OAR}$$

where:

EAR is the amount required by the fund with respect to the period of pre-designation service for the purpose of providing an allowance to the designated member after the election has been made; and

OAR is the amount that would have been required by the fund with respect to the period of pre-designation service for the purpose of providing an allowance to the designated member if the designated member had not made the election.

- (7) For the purposes of subsections (3) and (6):
- (a) the value of A must be a positive number; and
 - (b) the values for NAR, PDAR, DAR, EAR and OAR are the values determined by the commission in accordance with generally accepted actuarial principles.
- (8) An election by a designated member pursuant to subsection (2) or (4):
- (a) is not effective until the amount calculated pursuant to subsection (3) or (6), as the case may be, is paid; and
 - (b) is irrevocable”.

Section 41 amended

6(1) Subsection 41(5) is amended by striking out “A member” and substituting “Subject to subsection (7.1), a member”.

(2) Clause 41(7)(b) is amended by striking out “or” after subclause (i) and substituting “and”.

(3) The following subsection is added after subsection 41(7):

“(7.1) Where a member described in subsection (1) has contributory service in the plan as a police officer or firefighter with respect to a period before the member was designated pursuant to subsection 40(2) and with respect to a period after that designation, and the member is entitled to an allowance with respect to a period after that designation, the member may elect to receive, with respect to the period of service before the designation, an allowance calculated in accordance with subsection 23(1) with a reduction of 0.5% for each complete month by which the member’s early retirement date precedes the earliest day on which the member would otherwise have been eligible for an allowance if the member had continued to be a member until that day”.

Sections 44 to 46 repealed

7 Sections 44 to 46 are repealed.

New section 59.1

8 Section 59.1 is repealed and the following substituted:**“Additional allowances**

59.1(1) At intervals not greater than three years, the commission shall cause to be carried out an actuarial valuation of the liabilities of the fund with respect to allowances, additional allowances, life annuities and additional annuities payable out of the fund.

(2) Subject to subsection (3), where, as a result of an actuarial valuation pursuant to subsection (1), the commission determines that the assets of the fund are more than adequate to satisfy the test of solvency prescribed by *The Pension Benefits Act, 1992*, having regard to any additional allowances and additional annuities payable, the commission may pay:

(a) an additional allowance with respect to an allowance granted pursuant to this Act or a former Act that is not a life annuity; and

(b) an additional annuity with respect to a life annuity that is payable out of the fund.

(3) The commission may suspend, cancel or reduce an additional allowance or additional annuity payment where the commission determines that the payment:

(a) would cause the assets of the fund to be less than adequate to satisfy the test of solvency prescribed by *The Pension Benefits Act, 1992*; or

(b) does not comply with the *Income Tax Act (Canada)*”.

Section 60 repealed

9 Section 60 is repealed.

New section 63

10 Section 63 is repealed and the following substituted:**“Annuities to meet certain requirements**

63 An immediate or deferred life annuity purchased by a member must be one that is permitted pursuant to the *Income Tax Act (Canada)* and *The Pension Benefits Act, 1992* and approved by the commission”.

Coming into force

11(1) Subject to subsections (2) and (3), this Act comes into force on assent.

(2) Section 4 and subsection 6(2) of this Act come into force on assent, but are retroactive and are deemed to have been in force on and from January 1, 2001.

(3) Section 5, subsections 6(1) and (3) and section 8 of this Act come into force on assent, but are retroactive and are deemed to have been in force on and from January 1, 2002.