

1997

CHAPTER 14

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

(Assented to May 9, 1997)

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, 1997*.

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 2 amended

3 Clause 2(b) is repealed and the following substituted:

“(b) ‘**average highest salary**’ means the greater of:

(i) the total salary of a member during the 60 months of highest salary with respect to which contributions were made, including salary for service before the effective date, divided by five; and

(ii) the total amount that the member would have received during the five years in which the months of highest salary occurred if the member had been employed for the entire year at the average monthly rate of salary at which the member was paid during the months with respect to which contributions were made during that year, including salary for service before the effective date, divided by five”.

Section 7 amended

4 Subsection 7(2) is amended:

(a) by adding the following subclause after subclause (b)(vi):

“(vii) the Urban Municipal Administrators' Association”; and

(b) by repealing clause (c).

New section 15.1

5 The following section is added after section 15:

“Income Tax Act compliance

15.1 Notwithstanding any other provision of this Act, where it is determined by an actuarial valuation that the fund surplus exceeds the amount permissible pursuant to the *Income Tax Act* (Canada), the commission shall, within 90 days after receiving the actuarial valuation report, adjust the amount of required contributions of employers and employees proportionately to bring the contribution levels into compliance with the *Income Tax Act* (Canada)”.

New section 16.1**6 The following section is added after section 16:****“Purchase of service by certain members**

16.1(1) A member who, pursuant to section 14 as it formerly existed, was required to complete one year of actual service with an employer before becoming a member may elect to count that period of service as contributory service if the member:

- (a) has not retired; and
- (b) gives written notice to the commission of his or her election not later than December 31, 1998.

(2) A member who makes an election pursuant to subsection (1) shall contribute as a lump sum payment an amount calculated by the commission with respect to the period of service in accordance with generally accepted actuarial principles.

(3) An election by a member pursuant to subsection (1) is irrevocable”.

Section 17 amended**7 Subsections 17(1) and (1.1) are repealed and the following substituted:**

“(1) Each employer shall contribute to the fund with respect to each employee an amount equal to the contributions required to be made to the fund by the employee.

“(1.1) Where an employee contributes to the fund with respect to periods of absence due to illness or disability, the employer shall contribute to the fund an amount equal to the amount, determined by the commission in accordance with generally accepted actuarial principles, that the commission requires for the purpose of funding any allowance that may accrue to the employee pursuant to this Act”.

Section 20 amended**8 Clause 20(4)(c.1) is repealed and the following substituted:**

“(c.1) in the case of an employee who retires or terminates his or her service with an employer before the coming into force of this clause, to the former plan;

“(c.11) to purchase additional pension benefits in an amount calculated by the commission with respect to the amount in accordance with generally accepted actuarial principles”.

Section 41 amended**9 Subsection 41(3) is repealed and the following substituted:**

“(3) Notwithstanding subsections (1) and (2), a member to whom subsection 40(1) applies is entitled to an allowance when the sum of the member's age and years of continuous service equals 80”.

Section 42 amended

10(1) Subsection 42(1) is amended by striking out “71” and substituting “69”.

(2) Clause 42(5)(b) is amended by striking out “71” and substituting “69”.

New section 48.1**11 The following section is added after section 48:****“Purchase of service – transfer from other plan****48.1(1)** In this section:

(a) **‘member’** means a member who transfers pension credits and contributions from another registered retirement plan into the fund pursuant to an agreement described in section 48;

(b) **‘service surplus’** means a period equivalent to the amount by which the period of pensionable service of a member in another registered retirement plan exceeds the period of contributory service, calculated by the commission, that the member’s pension credits and contributions transferred into the fund will purchase.

(2) Within one year after transferring pension credits and contributions into the fund from another registered retirement plan, a member who has a service surplus may elect to count that service surplus as contributory service if the member:

(a) has not retired; and

(b) gives written notice to the commission of his or her election.

(3) A member who makes an election pursuant to subsection (2) shall contribute as a lump sum payment the amount of the actuarial reserve, calculated by the commission in accordance with generally accepted actuarial principles, with respect to the service surplus.

(4) An election by a member pursuant to subsection (2) is irrevocable”.

Coming into force

12(1) Subject to subsections (2) and (3), this Act comes into force on assent.

(2) Sections 3 and 6 of this Act come into force on January 1, 1998.

(3) Section 5 of this Act comes into force on assent, but is retroactive and is deemed to have been in force on and from January 1, 1991.