

2018

CHAPTER 23

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

(Assented to May 9, 2018)

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, 2018*.

RSS 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 **Section 2 is amended:**

(a) **by repealing clause (k) and substituting the following:**

“(k) **‘dependant’** means any of the following:

- (i) a child under the age of 18 years;
- (ii) an unmarried child under the age of 21 years who is attending an approved educational institution on a full-time basis;
- (iii) the surviving spouse of an employee”; **and**

(b) **by repealing clause (r) and substituting the following:**

“(r) **‘employer’** includes:

- (i) every municipality and the northern settlement of Uranium City;
- (ii) every board of education as defined in *The Education Act, 1995*;
- (iii) the conseil scolaire as defined in *The Education Act, 1995*;
- (iv) the board of every regional library as defined in *The Public Libraries Act, 1996*;
- (v) the Saskatchewan School Boards Association;
- (vi) the Saskatchewan Association of Rural Municipalities;
- (vii) the Saskatchewan Municipal Hail Insurance Association;
- (viii) the Saskatchewan Urban Municipalities Association;
- (ix) any other groups or organizations that may be designated by regulation of the Lieutenant Governor in Council”.

Section 2.1 amended

4(1) Subsection 2.1(1) is amended:

(a) in clause (a) by striking out “division” and substituting “board of education”; and

(b) in clause (b) by striking out “and not more than 40”.

(2) Subsection 2.1(4) is repealed and the following substituted:

“(4) With respect to service provided during the period commencing on January 1, 2001 and ending on April 28, 2014, an employee of a rural municipality to whom sections 6 and 12 of *The Labour Standards Act* do not apply is entitled to count as one full week of contributory service every unit of service with respect to which the employee received salary.

“(4.1) With respect to service provided on or after April 29, 2014, an employee of a rural municipality to whom sections 2-12, 2-17, 2-18 and 2-19 of *The Saskatchewan Employment Act* do not apply is entitled to count as one full week of contributory service every unit of service with respect to which the employee received salary”.

(3) The following subsection is added after subsection 2.1(5):

“(6) With respect to service provided on or after January 1, 2017, an employee is entitled to count as one full week of contributory service every unit of service with respect to which the employee received salary in a pay period”.

Section 5 amended

5 Subsection 5(1) is amended by adding “or her” after “his”.

Section 7 amended

6(1) Subsection 7(4) is repealed and the following substituted:

“(4) The commission consists of:

(a) the following persons who are deemed to be employer representatives:

(i) one person appointed by the Saskatchewan Urban Municipalities Association;

(ii) two persons appointed by the Saskatchewan School Boards Association;

(iii) one person appointed by the Saskatchewan Association of Rural Municipalities;

(iv) one person appointed by associations that represent regional colleges as defined in *The Regional Colleges Act* and regional libraries as defined in *The Public Libraries Act, 1996*;

(v) one person appointed by the cities of Estevan, North Battleford, Prince Albert, Swift Current and Yorkton, and any other employer prescribed in the regulations, if the employer employs persons designated as firefighters or police officers; and

- (b) the following persons who are deemed to be employee representatives:
 - (i) one person appointed by the Rural Municipal Administrators' Association of Saskatchewan;
 - (ii) one person appointed by the Saskatchewan Association of School Business Officials;
 - (iii) one person appointed by the Urban Municipal Administrators Association of Saskatchewan;
 - (iv) one person appointed by the Saskatchewan locals of trade unions that represent employees who are members of the plan, other than members mentioned in subclauses (v) and (vi);
 - (v) one person appointed by associations that represent firefighters and police officers who are members of the plan;
 - (vi) one person appointed by the Saskatchewan locals of the Canadian Union of Public Employees that represent employees who participate in the plan".
- (2) Subsection 7(5) is amended by striking out "subclause (4)(a)(iv) or (b)(iv) or (v)" and substituting "subclause (4)(a)(iv) or (v) or subclause (4)(b)(iv), (v) or (vi)".**
- (3) Subsection 7(9) is repealed and the following substituted:**

"(9) Subject to subsection (10), on or before December 31, 2018 and every two years after that, the commission shall elect a chairperson and a vice-chairperson for a term of two years commencing on January 1 of the following year".
- (4) Subsection 7(9.1) is repealed.**
- (5) The following subsection is added after subsection 7(10):**

"(10.1) If the position of chairperson or vice-chairperson becomes vacant, the commission shall elect a member as the new chairperson or new vice-chairperson, as the case may be, who is a representative from the same group as the person who vacated the position, to serve for the remainder of the two-year term".
- (6) Subsection 7(11) is amended by striking out "four" and substituting "five".**

Section 14 amended

7 Subsection 14(3) is repealed and the following substituted:

- "(3) Subject to subsection (4), a member who terminates his or her service with an employer and becomes employed by another employer shall again become a member on his or her first day of service with the new employer if:
- (a) the period between his or her former service and the service with the new employer does not exceed two years; and
 - (b) he or she has not been issued a refund in accordance with section 20 or 37".

Section 15 amended

8 Section 15 is amended by striking out “he is” and substituting “the member is”.

Section 16 amended

9(1) Subsection 16(1) is amended by striking out “, as amended from time to time”.

(2) Clause 16(1.1)(b) is repealed and the following substituted:

“(b) 1.8% of the member’s maximum earnings less the member’s basic exemption pursuant to the *Canada Pension Plan*”.

(3) Subsection 16(1.2) is amended by striking out “, as amended from time to time,”.

(4) Subsection 16(2) is amended by striking out “his salary” and substituting “the employee’s salary”.

(5) Subsection 16(3) is amended by striking out “, as amended from time to time”.

(6) Subsection 16(5) is amended by adding “or she” after “he”.

Section 18 amended

10 Subsection 18(1) is repealed and the following substituted:

“(1) Each employer shall:

(a) deduct from the salaries of all employees employed by him or her the amount of contributions required to be made by the employees pursuant to section 16; and

(b) within 15 days after the last day of a pay period, remit the deductions made pursuant to clause (a) to the commission, together with any amounts that the employer is required to remit pursuant to section 17”.

Section 19 amended

11 Subsections 19(5) and (6) are repealed and the following substituted:

“(5) When an employee who had money in an equity account in the fund on June 30, 1973 elects to retire, the commission shall arrange for the purchase of a life annuity, in such form as the employee selects, with the moneys standing to the credit of the employee in the fund.

“(6) If, at the date of retirement, any employee has money in the voluntary equity account, the commission may, on request of the employee:

(a) use the money to purchase an additional life annuity on behalf of the employee, in such form as the employee selects; or

(b) refund the amount in the employee’s additional contribution account in one lump sum and purchase a life annuity on behalf of the employee, in such form as the employee selects, with the moneys remaining in the voluntary equity account”.

Section 20 amended

12(1) Subsection 20(2) is amended by striking out “his” and substituting “the employee’s”.

(2) Subsection 20(3) is amended by striking out “A member” and substituting “Subject to subsection (3.1), a member”.

(3) The following subsection is added after subsection 20(3):

“(3.1) No election may be made pursuant to subsection (3) after December 31, 2018”.

(4) Subsection 20(4) is amended:

(a) by striking out the portion preceding clause (a) and substituting the following:

“Subject to subsection (4.1) but notwithstanding any other provision of this Act, an employee may transfer the value of any accumulative contributions with interest in excess of the amount required to offset 50% of the value of the employee’s allowance.”;

(b) in clause (b) by striking out “, as amended from time to time”; and

(c) in clause (e) by striking out “*The Pension Benefits Regulations*” and substituting “*The Pension Benefits Regulations, 1993*”.

(5) Subsection 20(4.1) is repealed and the following substituted:

“(4.1) If a member has terminated employment and has not made a transfer pursuant to subsection (4) on or before December 31, 2018:

(a) no election may be made by the member pursuant to clause (4)(c.11); and

(b) on the expiry of the period provided for in subsection 14(3) or (4), the value of any accumulative contributions with interest in excess of the amount required to offset 50% of the value of the member’s allowance shall be paid to the member in accordance with clause (4)(c.2)”.

(6) Clause 20(5)(b) is repealed and the following substituted:

“(b) the member requests the transfer before the member is entitled to begin receiving an allowance pursuant to section 22 or 41”.

(7) Subsection 20(8) is repealed and the following substituted:

“(8) If the amount that a member transfers pursuant to subsection (5) exceeds the amount that the member is permitted to transfer pursuant to subsection 147.3(4) of the *Income Tax Act* (Canada), and if the transfer is made on or before December 31, 2018, the member may elect:

(a) to have the amount of the excess paid to the member; or

(b) subject to subsection (9), to receive an allowance, the commuted value of which is equal to the amount of the excess, until the earlier of:

- (i) the last day of the month in which the member attains the age of 65 years; and
- (ii) the expiry of 15 years after the date of the transfer.

“(8.1) If the amount that a member transfers pursuant to subsection (5) exceeds the amount that the member is permitted to transfer pursuant to subsection 147.3(4) of the *Income Tax Act* (Canada), and if the transfer is made on or after January 1, 2019, the excess amount shall be paid to the member”.

Section 23 amended

13(1) Subsection 23(1) is repealed and the following substituted:

“(1) Subject to section 23.01, a member who retires early in accordance with subsection 41(1) is entitled to receive an allowance equal to 2% of the member’s average highest salary for each year of contributory service less the reduction mentioned in subsection 41(5), payable until the member reaches his or her sixty-fifth birthday, on which date the allowance is to be recalculated in accordance with subsection 22(1), and the recalculated allowance less the reduction pursuant to subsection 41(5) is payable to the member monthly commencing with the first day of the month following the month in which the member becomes 65 years of age”.

(2) Subsection 23(2) is repealed and the following substituted:

“(2) Subject to section 23.01, a member employed as a police officer or firefighter who retires in accordance with subsection 40(2) is entitled to receive an allowance equal to 2% of the member’s average highest salary for each year of contributory service payable until the member reaches his or her sixty-fifth birthday, on which date the allowance is to be recalculated in accordance with subsection 22(1), and the recalculated allowance is payable to the member monthly commencing with the first day of the month following the month in which the member becomes 65 years of age”.

Section 24 amended

14(1) Subsection 24(1) is amended:

- (a) in clause (c) by adding “or she” after “he”; and
- (b) in the portion following clause (d) by adding “or her” after “his”.

(2) Subsection 24(2) is amended by adding “or she” after “he”.

Section 25 amended

15(1) Subsection 25(1) is amended by adding “or her” after “his”.

(2) Subsection 25(4) is repealed and the following substituted:

“(4) The commission may reject an employee’s application for a disability allowance if the employee refuses to undergo treatment recommended by the commission.

“(5) If an employee is receiving a disability allowance at the time he or she refuses to undergo treatment recommended by the commission, the commission may reduce, suspend or discontinue the allowance”.

Section 26 amended

16 Subsection 26(1) is amended by striking out “his case” and substituting “the employee’s case”.

Section 28 amended

17 Subsection 28(1) is repealed and the following substituted:

“(1) The commission:

(a) shall from time to time review the case of a member who is in receipt of a disability allowance, unless the member attained normal retirement age during the period of his or her disability; and

(b) shall reduce, suspend or discontinue the member’s disability allowance if:

(i) the member has recovered from his or her disability; or

(ii) in the commission’s opinion, the member is no longer totally and permanently disabled”.

Section 33 amended

18(1) Subsection 33(1) is amended by striking out “The Children’s Law Act” and substituting “The Children’s Law Act, 1997”.

(2) Subsection 33(2) is amended by striking out “The Children’s Law Act” and substituting “The Children’s Law Act, 1997”.

Section 39 amended

19 Subsection 39(2) is amended:

(a) in clause (a) by striking out “dependents” and substituting “dependants”; and

(b) in the portion following clause (b) by striking out “dependent” and substituting “dependant”.

Section 40 amended

20(1) Subsection 40(1) is amended by adding “or her” after “his”.

(2) Subsection 40(2) is amended by striking out “fireman and so designated by his employer, shall normally retire upon attaining his” and substituting “firefighter and so designated by his or her employer shall normally retire on attaining his or her”.

Section 42 amended

21(1) Subsection 42(3) is amended by adding “or her” after “his” wherever it appears.

(2) Subsection 42(4) is repealed and the following substituted:

“(4) Notwithstanding any other provision of this Act, if a member dies while on postponed retirement, his or her dependants or beneficiaries are entitled to benefits as though the deceased member had retired on the date of his or her death”.

Section 47 amended

22 Clause 47(b) is amended by adding “or she” after “he”.

Coming into force

23(1) Subject to subsections (2) and (3), this Act comes into force on assent.

(2) Subsections 6(1), (2), (3), (5) and (6) come into force on September 1, 2018.

(3) Subsection 6(4) and section 12 come into force on January 1, 2019.