

2018 Bill 27

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Fourth Session, 29th Legislature, 67 Elizabeth II

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THE LEGISLATIVE ASSEMBLY OF ALBERTA

# **BILL 27**

## **JOINT GOVERNANCE OF PUBLIC SECTOR PENSION PLANS ACT**

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THE PRESIDENT OF TREASURY BOARD,  
MINISTER OF FINANCE

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First Reading . . . . .

Second Reading . . . . .

Committee of the Whole . . . . .

Third Reading . . . . .

Royal Assent . . . . .

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## **BILL 27**

2018

### **JOINT GOVERNANCE OF PUBLIC SECTOR PENSION PLANS ACT**

*(Assented to , 2018)*

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

**Purpose**

**1** The purpose of this Act is to transition to joint governance the Local Authorities Pension Plan, the Public Service Pension Plan and the Special Forces Pension Plan, and to enable the registration of those pension plans under the *Employment Pension Plans Act* as jointly sponsored plans.

**Division of Act**

- 2** Apart from sections 1 to 4, this Act is divided into
- (a) Schedule 1, containing provisions relating to the Local Authorities Pension Plan,
  - (b) Schedule 2, containing provisions relating to the Public Service Pension Plan,
  - (c) Schedule 3, containing provisions relating to the Special Forces Pension Plan, and
  - (d) Schedule 4, containing consequential amendments.



### **Income Tax Act registration**

**3** It is the intent of this Act that the pension plans referred to in section 2 be and remain registered pension plans under the *Income Tax Act* (Canada).

### **Coming into force**

**4** The following provisions come into force on Proclamation:

- (a) Schedule 1, sections 2, 9, 10, 17, 18 and 26 to 41;
- (b) Schedule 2, sections 2, 9, 10, 17, 18 and 26 to 41;
- (c) Schedule 3, sections 2, 8, 9, 16, 17 and 24 to 40;
- (d) Schedule 4.

## **Schedule 1**

### **Local Authorities Pension Plan Provisions**

#### **Interpretation**

**1(1)** In this Schedule,

- (a) “board of directors” means the board of directors of the Corporation;
- (b) “Corporation” means the LAPP Corporation established by section 11;
- (c) “Crown” means the Crown in right of Alberta;
- (d) “director” means a member of the board of directors;
- (e) “employee organization” means an organization referred to in section 4(1)(a), and includes a successor to any of those organizations;
- (f) “employer organization” means an organization referred to in section 4(1)(b), and includes a successor to any of those organizations;
- (g) “EPPA” means the *Employment Pension Plans Act*;
- (h) “former Act” means the *Public Sector Pension Plans Act*;

- (i) “funding policy” means a funding policy established by the Sponsor Board under section 7(2)(d);
- (j) “member”, in respect of the Plan, has the same meaning as under the EPPA;
- (k) “Minister” means the Minister responsible for the former Act, and includes, where the context permits, the Crown;
- (l) “Pension Board” means the board established under section 3 of Schedule 1 of the former Act;
- (m) “personal information” means recorded information about an identifiable individual;
- (n) “Plan” means the Local Authorities Pension Plan continued by section 2;
- (o) “plan costs” means the costs, charges and expenses permitted to be paid from the plan fund in accordance with section 36;
- (p) “plan fund” means the assets and investments of the Plan, described in Schedule 1 of the former Act as the Local Authorities Pension Plan Fund;
- (q) “plan text” means the record setting out the rights, obligations and entitlements under the Plan;
- (r) “sponsor organization” means an employee organization or an employer organization;
- (s) “Sponsor Board” means the LAPP Sponsor Board established by section 3;
- (t) “Superintendent” means the Superintendent of Pensions appointed under the EPPA, and includes the Deputy Superintendent of Pensions appointed under that Act;
- (u) “transition date” means March 1, 2019 or, subject to subsection (2), such later date as set by the Lieutenant Governor in Council.

**(2)** For the purposes of subsection (1)(u), the Lieutenant Governor in Council may, before March 1, 2019, set a later date that is no later than April 1, 2019.

**Continuation of Local Authorities Pension Plan**

**2** The pension plan provided for by and under Schedule 1 of the former Act is continued on the transition date as the Local Authorities Pension Plan under this Act and this Schedule.

**Part 1**

**Establishment of LAPP Sponsor Board**

**LAPP Sponsor Board**

**3** There is hereby established a board to be known as the “LAPP Sponsor Board” consisting of the members appointed in accordance with section 4.

**Composition of Sponsor Board**

**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:
  - (i) one member appointed by the Alberta Federation of Labour Inc.;
  - (ii) 2 members appointed by The Alberta Union of Provincial Employees;
  - (iii) one member appointed by the Canadian Union of Public Employees;
  - (iv) one member appointed by the Health Sciences Association of Alberta;
  - (v) one member appointed by the United Nurses of Alberta;
- (b) 6 employer representatives appointed as follows:
  - (i) 3 members appointed by Alberta Health Services;
  - (ii) subject to section 5(1), one member appointed by
    - (A) the Alberta School Boards Association, or
    - (B) the Council of Post-secondary Presidents of Alberta, or another organization representing

post-secondary institutions participating in the Plan as designated by the Corporation;

- (iii) subject to section 5(2), one member appointed by the Alberta Urban Municipalities Association or the Alberta Association of Municipal Districts and Counties (also known as Rural Municipalities of Alberta);
- (iv) subject to section 5(3), one member appointed by the City of Edmonton or the City of Calgary.

**(2)** To be eligible to be or to remain a member of the Sponsor Board, an individual

- (a) must be at least 18 years of age, and
- (b) must not be a director of the Corporation.

**(3)** A sponsor organization appoints a member of the Sponsor Board by giving notice to the Corporation.

**(4)** 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.

#### **Rotational appointments**

**5(1)** For the appointment contemplated by section 4(1)(b)(ii), the Alberta School Boards Association has the power of appointment for a period ending 3 years after the transition date, and the power of appointment rotates every 3 years after that period between the Council of Post-secondary Presidents of Alberta, or another organization representing post-secondary institutions participating in the Plan, as designated by the Corporation under section 16(3)(e), and the Alberta School Boards Association.

**(2)** For the appointment contemplated by section 4(1)(b)(iii), the Alberta Urban Municipalities Association has the power of appointment for a period ending 3 years after the transition date, and the power of appointment rotates every 3 years after that period between the Alberta Association of Municipal Districts and Counties (also known as Rural Municipalities of Alberta) and the Alberta Urban Municipalities Association.

**(3)** For the appointment contemplated by section 4(1)(b)(iv), the City of Edmonton has the power of appointment for a period

ending 3 years after the transition date, and the power of appointment rotates every 3 years after that period between the City of Calgary and the City of Edmonton.

**Remuneration**

**6** The members of the Sponsor Board are not entitled to receive remuneration from the plan fund but may be reimbursed from the plan fund for expenses incurred by them in the performance of their duties as members of the Sponsor Board.

**Roles, responsibilities and authorities**

**7(1)** The Sponsor Board has only the roles, responsibilities and authorities set out in this section and sections 8 to 10.

**(2)** The Sponsor Board

- (a) is responsible for making and amending plan text in accordance with the EPPA, the provisions of which must accommodate the requirements of section 28(4) and (5) in respect of the policies of participating employers and membership in the Plan,
- (b) is responsible for setting contribution rates in accordance with the funding requirements under the EPPA that are applicable to the Plan,
- (c) is responsible for making any decision, in accordance with the EPPA, to terminate the Plan or to convert it to a different kind of pension plan,
- (d) is responsible for establishing a funding policy under the EPPA, including in relation to
  - (i) the frequency of actuarial valuations of the Plan, and
  - (ii) investment risk and other risks,
- (e) is responsible for reviewing the proposed annual budget of the Corporation and any updates to that budget, and may provide directions to the Corporation in relation to the budget,
- (f) shall establish a code of conduct and conflict of interest policy governing its members,

- (g) shall determine and communicate to the Corporation the nature and level of support that it requires to be provided to it by or through the Corporation, and
- (h) shall on making any of the following provide a copy to the Corporation:
  - (i) plan text and any amendments to plan text;
  - (ii) a change to the contribution rates under clause (b);
  - (iii) a decision made under clause (c);
  - (iv) the funding policy made under clause (d) and any amendments to the funding policy;
  - (v) the code of conduct and conflict of interest policy made under clause (f) and any amendments to that policy;
  - (vi) any rules made under section 8 or 9.

**(3)** In carrying out the roles and responsibilities and exercising the authorities of the Sponsor Board, the members of the Sponsor Board shall consider the interests of retired members of the Plan.

**(4)** The Sponsor Board may delegate to or arrange for the performance by the Corporation of responsibilities assigned by this Schedule to the Sponsor Board including, without limitation, amending plan text or increasing contribution rates, but only if such delegation to or performance by the Corporation is limited to taking action required to achieve compliance with the EPPA or this Act and this Schedule or any other applicable law.

**(5)** Notwithstanding subsection (4), the Sponsor Board may not delegate to the Corporation the authority to impose a differential increase in contribution rates as between members and participating employers.

**(6)** If, following receipt of a valuation report from the Plan's actuary, the Sponsor Board has not

- (a) pursuant to subsection (4), delegated to the Corporation the authority to increase contribution rates if required to comply with applicable funding requirements under the EPPA, or

- (b) otherwise taken steps sufficient to comply with those requirements, within the time required under the EPPA for doing so,

the Sponsor Board is deemed to have increased contribution rates, equally as between members and participating employers, as indicated in the valuation report as being necessary to comply with applicable funding requirements under the EPPA, and such contribution rate increases shall be implemented by the Corporation, effective on the date required to comply with applicable funding requirements under the EPPA.

**Sponsor Board rules**

**8(1)** The Sponsor Board shall make rules

- (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
  - (i) a suitable mix of competencies,
  - (ii) a diversity of perspectives, and
  - (iii) gender balance,as defined or determined in accordance with the rules;
- (b) determining the remuneration to be paid to the directors of the Corporation.

**(2)** The Sponsor Board may make rules

- (a) subject to subsection (3), altering the composition of the Sponsor Board;
- (b) subject to section 36(3), respecting the costs, charges and expenses that may be charged to the plan fund by the Corporation;
- (c) governing the withdrawal of a participating employer from the Plan under section 10;
- (d) respecting the entering into by the Corporation of any agreements for the reciprocal transfer or portability of

pension benefits between the Plan and any other pension plan;

- (e) governing the internal practice and procedures of the Sponsor Board, including governing the selection of a chair and a vice-chair, the calling of meetings, quorum, procedures at meetings, voting procedures and the majority required to make or amend plan text or Sponsor Board rules or to pass other resolutions.

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

- (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,

or

- (b) results in other than one half of the members being appointed by employee organizations and one half of the members being appointed by employer organizations.

**(4)** To the extent the Sponsor Board has not made rules under subsection (2)(e) that are applicable, the following provisions govern the internal procedures of the Sponsor Board:

- (a) if the Sponsor Board has not made rules with respect to the designation of a chair and a vice-chair, the members appointed by the employee organizations shall designate the chair and the members appointed by the employer 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 members appointed by the employer organizations and the members appointed by the employee organizations;

- (b) if the Sponsor Board has not made rules with respect to the calling of meetings of the Sponsor Board, a meeting may be called by either the chair or the vice-chair, and shall be called on reasonable notice to allow the members to attend the meeting in person or by electronic means;
- (c) if the Sponsor Board has not made rules with respect to quorum, 5/6 of the members appointed by employee organizations and 5/6 of the members appointed by employer organizations constitute quorum;
- (d) if the Sponsor Board has not made rules with respect to the majority required to make resolutions or decisions of the Sponsor Board,
  - (i) subject to subclause (ii), a resolution or decision is made only if it is approved by
    - (A) at least 2/3 of the members appointed by the employee organizations who are present at the meeting, and
    - (B) at least 2/3 of the members appointed by the employer organizations who are present at the meeting,

and

- (ii) if a matter involves a resolution or decision to terminate the Plan or convert it wholly or in part from a defined benefit plan to a defined contribution plan or a target benefit plan, the resolution or decision is made only if it is approved unanimously by the members present at the meeting.

(5) The *Regulations Act* does not apply to rules made by the Sponsor Board under subsections (1) and (2) or section 9.

#### **New participating employers**

9 The Sponsor Board may make rules in respect of the admission of new participating employers to the Plan and, where no rules have been made that are applicable to a particular application for

admission, the Sponsor Board is responsible for approving or denying the application.

**Employer withdrawal**

**10** The Sponsor Board shall ensure that, within 5 years after the transition date, provisions governing the withdrawal of a participating employer from the Plan are made and set out in rules made by the Sponsor Board or in plan text, or both.

**Part 2  
Establishment of LAPP Corporation**

**Establishment of LAPP Corporation**

**11(1)** There is hereby established a corporation without share capital with the name “LAPP Corporation”.

**(2)** The Corporation has the capacity and, subject to this Schedule, the rights, powers and privileges of a natural person.

**(3)** The Corporation shall maintain its principal office in Alberta.

**(4)** The fiscal year of the Corporation is January 1 to the following December 31.

**Not Crown agent**

**12** The Corporation is not an agent of the Crown.

**Auditor General**

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

**Not Provincial corporation or public agency**

**14** 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*.

**Non-applicability of Acts**

**15** The following Acts do not apply to the Corporation:

- (a) *Companies Act*,
- (b) *Loan and Trust Corporations Act*.

**Roles, responsibilities and authorities**

**16(1)** The Corporation, on becoming the trustee of the plan fund under section 26, is responsible for

- (a) the plan fund, including investment of the assets of the plan fund, and
  - (b) making payments from the plan fund in respect of plan costs.
- (2)** The Corporation, on becoming the administrator of the Plan under section 27, is responsible for
- (a) subject to this Schedule, carrying out and performing all of the duties, functions and responsibilities of an administrator under the EPPA, and
  - (b) except to the extent that responsibility has been expressly assigned to the Sponsor Board by sections 7 to 10, all other actions required for the proper administration of the Plan.
- (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:
- (a) in connection with the investment of the plan fund, determining, after having regard to provisions of the funding policy respecting investment risk and other risks, the statement of investment policies and procedures required under the EPPA;
  - (b) arranging for external service providers as may be required for the administration of the Plan and the investment of the plan fund;
  - (c) arranging for actuarial valuations, at intervals required by the funding policy, and for that purpose determining, having regard to the funding policy, the actuarial assumptions and methods to be used;
  - (d) ensuring that the Plan complies with all applicable provincial and federal legislation;
  - (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);

- (f) preparing an annual budget for the Corporation and any updates required to that budget, in accordance with any directions given by the Sponsor Board under section 7(2)(e);
- (g) entering into any agreements for the reciprocal transfer or portability of pension benefits between the Plan and any other pension plan, subject to any rules made by the Sponsor Board under section 8(2)(d);
- (h) providing or arranging for all support, services and advice required by the Sponsor Board for the purpose of carrying out the roles, responsibilities and authorities assigned to the Sponsor Board by this Schedule;
- (i) paying plan costs from the plan fund;
- (j) receiving and processing applications for admission to the Plan by new employers, subject to and in accordance with any rules or decisions made by the Sponsor Board under section 9;
- (k) maintaining all financial and other records in relation to the Plan, including an annual report with annual audited financial statements;
- (l) communicating with members of the Plan and with participating employers;
- (m) establishing and maintaining the website as required by section 41.

**Agreements for pension and investment management services**

**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 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.

**Transfer of assets and liabilities**

**18(1)** On the transition date,

- (a) all assets, liabilities, rights and obligations of Alberta Local Authorities Pension Plan Corp. are transferred to and become the assets, liabilities, rights and obligations of the Corporation, and
- (b) all employees of Alberta Local Authorities Pension Plan Corp. are transferred to and become employees of the Corporation.

**(2)** The transfer of rights and obligations under subsection (1)(a) does not give rise to any termination right, remedy or penalty under the provisions of any contract to which Alberta Local Authorities Pension Plan Corp. is a party immediately before the transition date, and all such contracts continue to have full effect as contracts of the Corporation.

**(3)** The transfer of employees under subsection (1)(b)

- (a) continues their employment on the same terms and conditions as were applicable under their employment with Alberta Local Authorities Pension Plan Corp., except that the Corporation may substitute benefit programs if the overall benefits provided to the employees are in aggregate generally commensurate with the previous benefit programs,
- (b) does not constitute for any purpose a termination of employment and does not constitute constructive

dismissal or give rise to an obligation to provide notice or payment in lieu of notice, and

- (c) is a continuation of employment for all purposes, including any common law right to notice of any future termination of employment or payment in lieu of such notice.

**Board of directors**

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

**(2)** Directors may receive remuneration for acting in that capacity only in accordance with rules made by the Sponsor Board under section 8(1)(b).

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

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

**Appointment of directors**

**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

- (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.

**Rotational appointments**

**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.

**Term of appointment**

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

(2) Notwithstanding subsection (1), the initial directors may be appointed for a term expiring 3 years from the transition date.

(3) A director ceases to hold office when

- (a) the director's appointment expires, or
- (b) the director's appointment is terminated under section 20(5) or (6).

(4) A director shall not serve on the board for more than 10 consecutive years including any hold-over period referred to in subsection (6).

(5) Breaks in service of less than 2 years shall be disregarded in determining a number of consecutive years for the purposes of subsection (4).

(6) Notwithstanding subsection (3)(a), where a director's appointment expires, the director continues to hold office until

- (a) the director is reappointed,
- (b) a successor is appointed, or
- (c) 6 months have elapsed,

whichever occurs first.

**Bylaws**

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

- (a) respecting the designation of a chair and a vice-chair of the board of directors;
- (b) respecting the calling of meetings of the board of directors and the conduct of business at them;
- (c) respecting notice of meetings of the board of directors;
- (d) respecting participation at meetings by any electronic means;
- (e) specifying the majority required for passing resolutions of the board of directors;
- (f) respecting quorum;
- (g) specifying processes, which may include mediation or arbitration, in the event of a tie vote of the board of directors;
- (h) respecting committees of directors;
- (i) respecting the general conduct and operation of the business of the Corporation.

**(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 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 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) if the board of directors has not made a bylaw with respect to the calling of meetings of the board of directors, a meeting may be called by either the chair or the



vice-chair, or by a majority of the directors, and shall be called on reasonable notice to allow the directors to attend the meeting in person or by electronic means;

- (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 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 appointed by the employee organizations and a majority of the directors appointed by the employer organizations constitute quorum.

(3) The *Regulations Act* does not apply to bylaws of the Corporation.

#### **Responsibility of directors and officers**

**24** Every director and officer, in exercising powers and discharging duties, shall

- (a) act honestly and in good faith and with a view to the best interests of the Corporation, and
- (b) exercise the care, diligence and skill that a reasonable and prudent person would exercise in comparable circumstances.

#### **Indemnities**

**25(1)** The Corporation may indemnify

- (a) a present or former director or officer of the Corporation, and
- (b) an individual who acts or acted at the Corporation's request as a director or officer, or in a similar capacity, of another entity

against costs, charges and expenses, including any amount paid to settle an action or satisfy a judgment, reasonably incurred by that person with respect to a civil, criminal or administrative action or proceeding to which that person is made a party by reason of holding such a position if that person acted honestly, in good faith and with a view to the best interests of the Corporation or, as the case may be, to the best interests of the other entity for which the individual acted as a director or officer or in a similar capacity at

the Corporation's request and, in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, that person had reasonable grounds for believing that the conduct that is the subject of the action or proceeding was lawful.

(2) An indemnity under subsection (1) must be

(a) in writing, and

(b) authorized by a resolution of the board of directors.

(3) The Corporation shall not provide indemnities to those persons described in subsection (1) except as authorized by subsection (1).

### **Part 3 Transition to Joint Governance**

#### **Transfer of plan fund**

**26(1)** On the transition date, ownership of the plan fund is transferred from the Minister as trustee to the Corporation as trustee.

(2) The assets of the plan fund shall continue to be held in trust for members of the Plan and others entitled to benefits under the Plan, and shall be used only for providing benefits pursuant to the Plan and for paying plan costs.

#### **Administration of Plan**

**27(1)** On the transition date, the Corporation becomes the administrator of the Plan.

(2) As of the transition date, the Minister and the Crown have no responsibilities, functions, obligations, duties or liabilities in relation to administration of the Plan.

#### **Participating members and employers**

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

(2) As of the transition date, employers participating in the Plan immediately prior to the transition date continue to be participating employers of the Plan.

(3) As of the transition date, participating employers of the Plan are bound by the terms of the plan documents, within the meaning of the EPPA, 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 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.

(5) A policy of a participating employer referred to in subsection (4) may be amended within the period of 3 years after the transition date if the amendment is agreed to between the participating employer and an organization representing the employees subject to the policy, or any subgroup of those employees, and in the case of a subgroup of employees, the amendment shall apply only to that subgroup of employees.

#### **Withdrawal of employers**

**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.

#### **Successor employers**

**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) 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.

**Pension plan provisions**

**31** The rights, obligations and entitlements under the Plan as of the transition date are those set out in the plan text document described in section 34.

**Transfer of plan records**

**32(1)** In this section, "record" means a record of information in any form relating to the administration of the Plan or the investment of the plan fund that is in the custody or control of

- (a) the Minister as administrator and trustee of the Plan under the former Act, and
- (b) the Pension Board, in the Pension Board's capacity under the former Act,

but excludes any record of information or part of any record of information to the extent that the record or part of the record was held or created primarily for purposes other than the administration of the Plan or the investment of the plan fund.

(2) All records are transferred, on the transition date, from the control of the Minister and the Pension Board, as applicable, to the control of the Corporation.

(3) To the extent a record contains personal information, each of the Minister and the Pension Board are authorized to disclose the information to the Corporation, and the Corporation is authorized

to collect, use and disclose the information for the purpose of administering the Plan.

(4) The Minister may retain a copy of any record for archival or legal purposes.

#### **Part 4 Registration under the Employment Pension Plans Act**

##### **Deemed registration of Plan**

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

(2) For the purposes of subsection (1),

- (a) the Corporation is the administrator of the Plan under the EPPA,
- (b) the Plan is a jointly sponsored plan under the EPPA, and
- (c) the Plan is not a publicly funded plan under the EPPA.

(3) For greater certainty,

- (a) the Corporation is the fundholder for the Plan under the EPPA,
- (b) the Superintendent is the regulator of the Plan under the EPPA,
- (c) the Plan is a non-collectively bargained multi-employer plan under the EPPA, and
- (d) the employers participating in the Plan on the transition date are the participating employers under 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.

**(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.

**Plan text document**

**34(1)** On the transition date, the plan text document, as contemplated under the EPPA, consists of plan text that has been

- (a) approved by the Sponsor Board, and
- (b) confirmed in writing by the Superintendent to be in compliance with the requirements, subject to this Act and this Schedule, of the EPPA.

**(2)** If a plan text document, as contemplated under the EPPA, has not been approved or confirmed pursuant to subsection (1), the record that sets out the rights, obligations and entitlements under the Plan on the transition date is comprised of

- (a) sections 5(1), 8, 14 and 14.1 of Schedule 1 of the former Act,
- (b) all of the provisions of the *Local Authorities Pension Plan Regulation* (AR 366/93), and

- (c) section 12 of the *Public Sector Pension Plans (Legislative Provisions) Regulation* (AR 365/93), and sections 4.1 to 24 of Schedule 1 of that regulation,

as these provisions read immediately prior to the transition date and notwithstanding any subsequent legislative repeal of these provisions.

**(3)** The record referred to in subsection (2), until replaced or amended by the Sponsor Board in accordance with this Act and this Schedule and the EPPA,

- (a) is deemed to be the plan text document for the Plan as required under the EPPA notwithstanding any conflict with the requirements under the EPPA, and
- (b) applies and shall be read with all modifications as are necessary to give effect to the record having regard to the continuation of the Plan in accordance with, and as amended by, the provisions of this Schedule.

**(4)** For greater certainty, and without limiting the scope of subsection (3), the following references in the record referred to in subsection (2) shall be read as follows:

- (a) all references to the former Act, the *Public Sector Pension Plans (Legislative Provisions) Regulation* (AR 365/93), the *Local Authorities Pension Plan Regulation* (AR 366/93) and the *Public Service Pension Plan Regulation* (AR 368/93), or any part of that Act or those regulations, shall be read as references to the applicable provisions of that Act or those regulations as they read immediately prior to the transition date and notwithstanding any subsequent legislative repeal of any of those provisions;
- (b) all references to the “plan rules” shall be read as references to the provisions of the *Local Authorities Pension Plan Regulation* (AR 366/93) as they read immediately prior to the transition date and notwithstanding any subsequent legislative repeal of any of those provisions;
- (c) all references to the “Crown” in section 14 of Schedule 1 of the former Act, and in section 14 of Schedule 1 of the *Public Sector Pension Plans (Legislative Provisions)*



*Regulation* (AR 365/93), shall be read as references to the “Corporation”;

- (d) in section 17(1) of the *Local Authorities Pension Plan Regulation* (AR 366/93),
  - (i) the reference to “employer or the Crown” shall be read as a reference to “employer”, and
  - (ii) the reference to “employer or the Crown, as the case may be,” shall be read as a reference to “employer”;
- (e) in section 12(2) of the *Public Sector Pension Plans (Legislative Provisions) Regulation* (AR 365/93), the reference to “, the Minister, the Minister of Finance and the Crown” shall be read as a reference to “and the Corporation”;
- (f) all references to the “Lieutenant Governor in Council”
  - (i) in sections 14 and 14.1 of Schedule 1 of the former Act shall be read as references to the “Sponsor Board”, and
  - (ii) in section 17.3 of Schedule 1 of the *Public Sector Pension Plans (Legislative Provisions) Regulation* (AR 365/93) shall be read as references to the “Corporation”;
- (g) all references to “regulations” in sections 14 and 14.1 of Schedule 1 of the former Act, and in any other provision of the record that references these sections, shall be read as references to “rules”;
- (h) subject to clause (e), all references to the “Minister”, “Minister of Finance” or “President of Treasury Board and Minister of Finance” shall be read as references to the “Corporation”, unless the reference is in respect of the determination of who may be a participating employer under the Plan, in which case the reference shall be read as a reference to the “Sponsor Board”;
- (i) all references to the “Board” shall be read as references to the “Sponsor Board”, except
  - (i) in section 85.1(2) of the *Local Authorities Pension Plan Regulation* (AR 366/93) in which case the

reference to “from the Board” shall be read as if that reference were struck out,

- (ii) in section 5(1) of Schedule 1 of the former Act in which case the reference shall be read as a reference to the “Corporation”, and
- (iii) in sections 12 to 14, 15, 16 and 18 to 21 of Schedule 1 of the *Public Sector Pension Plans (Legislative Provisions) Regulation* (AR 365/93) in which case the reference shall be read as a reference to the “Corporation”;
- (j) all references to the general policy guidelines set for the purposes of section 3(2)(c) of Schedule 1 of the former Act shall be read as references to the general policy guidelines with respect to the administration of the Plan as set by the Corporation, if any.

(5) On the transition date, if the plan text document contemplated by the EPPA is deemed to be the record referred to in subsection (2) in accordance with subsection (3), the Sponsor Board shall replace that record with a plan text document as contemplated by the EPPA within 2 years from the transition date.

(6) The Superintendent may extend the time limit in subsection (5) on the application of the Sponsor Board.

#### **Continuation of decisions and filings**

**35(1)** All decisions and determinations made by the Minister as the administrator and trustee of the Plan prior to the transition date are binding on, and carry forward to, the Corporation as administrator and trustee of the Plan as of the transition date.

(2) All decisions and determinations made by the Pension Board in its capacity under the former Act prior to the transition date are binding on, and carry forward to, the Corporation and the Sponsor Board in their respective capacities as of the transition date.

(3) All documents filed with the Minister as the administrator and trustee of the Plan prior to the transition date shall be transferred to, and are deemed to have been filed with, the Corporation as administrator and trustee of the Plan as of the transition date.

(4) Subsections (1) and (2) do not preclude the reconsideration of any prior decisions or determinations after the transition date.

## **Part 5 General Matters**

### **Corporate and Plan costs**

**36(1)** Subject to subsections (2) and (3), the costs, charges and expenses incurred in the carrying out of the roles and responsibilities of the Sponsor Board and the Corporation under this Schedule shall be

- (a) paid by the Corporation, and
- (b) charged by the Corporation to the plan fund.

**(2)** Subject to subsection (3), the costs, charges and expenses that may be charged to the plan fund are subject to

- (a) any rules made by the Sponsor Board under section 8(2)(b), and
- (b) any applicable provisions of plan text.

**(3)** The costs, charges and expenses that may be charged to the plan fund

- (a) must be charged on a cost-recovery basis, and
- (b) include all amounts reasonably expended in the carrying out of all roles, responsibilities, duties, functions and obligations of any kind imposed on the Sponsor Board or the Corporation by or under this Act and this Schedule or by or under the EPPA.

### **Immunity**

**37(1)** In this section, “pension plan” means the Plan under Schedule 1 of the former Act as it read immediately prior to the transition date.

**(2)** The Corporation assumes

- (a) all rights, liabilities and obligations of the Minister, and
- (b) all actions and proceedings commenced by or against the Minister

in the Minister’s prior capacity as administrator and trustee of the pension plan.

**(3)** No liability attaches to the Crown or the Minister, or to any employee of the Crown, and no actions or proceedings may be commenced or continued against any of them, in respect of

- (a) the Minister's acts or omissions while acting in the Minister's prior capacity as administrator and trustee of the pension plan, excepting only wilful misconduct involving misappropriation of trust funds by the Minister or any employee of the Crown, or
- (b) the coming into force or implementation of this Act and this Schedule.

**(4)** For greater certainty, subsection (3) does not apply to any cause of action or proceeding against any corporation that has provided pension administration services or investment management services to or on behalf of the Crown or the Minister.

**Review of prior administrative decisions**

**38(1)** In this section, "administrative decision" means a decision made by Alberta Pensions Services Corporation prior to the transition date in respect of an individual and the individual's rights, obligations or entitlements under the Plan.

**(2)** As of the transition date, all unresolved requests to the Pension Board for a review of an administrative decision shall be considered and concluded by the Corporation as follows:

- (a) the Corporation shall, in substance and to the extent practicable, adopt and follow the prior practices and procedures of the Pension Board in considering the request;
- (b) all prior submissions in respect of the request shall be considered by the Corporation;
- (c) the Corporation shall render a decision in respect of the request within a reasonable period of time after all submissions have been made.

**(3)** The Corporation may delegate its responsibilities and obligations under subsection (2) to a committee established by the board of directors.

**(4)** No liability attaches to the members of the Pension Board or the Corporation in respect of

- (a) the change in the decision maker provided for in subsection (2),
- (b) any consequential need to repeat or make duplicate submissions,
- (c) any reasonable deviations from the prior practices and procedures of the Pension Board, or
- (d) any reasonable delay in considering the request to review an administrative decision arising due to the change in decision maker.

**Agreements for the reciprocal transfer  
or portability of pension benefits**

**39(1)** In this section,

- (a) “Internal Transfer Agreement” means the arrangement for the reciprocal transfer or portability of pension benefits between the Local Authorities Pension Plan, the Public Service Pension Plan and the Management Employees Pension Plan effective January 1, 2008 as made by the Minister of Finance (Order No. 01/2007), dated December 31, 2007;
- (b) “transfer agreement” means an agreement or arrangement for the reciprocal transfer or portability of pension benefits made prior to the transition date between the Plan and another pension plan, including the Internal Transfer Agreement.

**(2)** With respect to each transfer agreement,

- (a) the rights, liabilities and obligations of the Minister under the transfer agreement shall, as of the transition date, become the rights, liabilities and obligations of the Corporation,
- (b) the Corporation is deemed to be a party to the transfer agreement,
- (c) the Minister has no further rights, liabilities or obligations under the transfer agreement as of the transition date,
- (d) any transfers of pension benefits in progress on the transition date continue and shall be processed as if there were no change of administrator, and

- (e) the transfer agreement expires 2 years after the transition date unless otherwise extended by the parties to the transfer agreement.

**(3)** With respect to the Internal Transfer Agreement, in addition to and without limiting the application of subsection (2), as of the transition date, sections 9 and 10 of the Internal Transfer Agreement are deemed to be rescinded.

**Collection and disclosure of employment information**

**40(1)** In this section, “employment information” means personal information of a member of the Plan and the member’s pension partner and beneficiaries that is required to administer the rights, obligations and entitlements of that member under the Plan.

**(2)** The Corporation and its pension administration service provider are authorized to

- (a) collect employment information, whether directly or indirectly,
- (b) use that information in relation to the administration of the Plan, and
- (c) disclose that information
  - (i) to each other,
  - (ii) to the member to whom the information relates, and
  - (iii) to the participating employer of the member to the extent that the information relates to employment with that participating employer.

**(3)** Participating employers are authorized to collect employment information from, and to disclose it to,

- (a) the member to whom the information relates, and
- (b) the Corporation and its pension administration service provider.

**Disclosure of information on website**

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

- (a) the location of the Corporation's principal office;
  - (b) a listing of the current board of directors, including the names of the sponsor organizations that appointed the directors;
  - (c) a listing of the current members of the Sponsor Board, including the names of the sponsor organizations that appointed the members;
  - (d) any rules made by the Sponsor Board under section 8 or 9;
  - (e) the current bylaws of the Corporation;
  - (f) the most recent annual report, including audited financial statements, of the Corporation and the Plan, and the annual reports for the previous 5 years;
  - (g) plan text and any amendments to plan text;
  - (h) compensation paid to directors and officers of the Corporation and amounts expended by the Corporation for reimbursement of expenses incurred by directors and officers of the Corporation;
  - (i) amounts expended at the request of the Sponsor Board, including reimbursement of expenses incurred by members of the Sponsor Board;
  - (j) any other information required by the Sponsor Board to be disclosed.
- (2) For the purposes of disclosure under subsection (1)(h),
- (a) "compensation" has the same meaning as under the *Public Sector Compensation Transparency Act*, and
  - (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 Corporation.

**Method of giving notice**

**42(1)** Any notice to be given under this Schedule to the Sponsor Board or the Corporation, and any service of documents to the Sponsor Board or the Corporation under any other enactment, is

sufficiently given if it is delivered by any means to the Corporation's principal office.

(2) If, following the establishment of the Corporation under section 11, the Corporation has not formally established a principal office, the principal office of Alberta Local Authorities Pension Plan Corp. is deemed for the time being to be the principal office of the Corporation.

## **Schedule 2**

### **Public Service Pension Plan Provisions**

#### **Interpretation**

**1(1)** In this Schedule,

- (a) "board of directors" means the board of directors of the Corporation;
- (b) "Corporation" means the PSPP Corporation established by section 11;
- (c) "Crown" means the Crown in right of Alberta;
- (d) "director" means a member of the board of directors;
- (e) "employee organization" means an organization referred to in section 4(1)(a), and includes a successor to any of those organizations;
- (f) "employer organization" means an organization referred to in section 4(1)(b), and includes a successor to any of those organizations;
- (g) "EPPA" means the *Employment Pension Plans Act*;
- (h) "former Act" means the *Public Sector Pension Plans Act*;
- (i) "funding policy" means a funding policy established by the Sponsor Board under section 7(2)(d);
- (j) "member", in respect of the Plan, has the same meaning as under the EPPA;



- (k) “Minister”, except in section 4(1)(b)(i), means the Minister responsible for the former Act, and includes, where the context permits, the Crown;
- (l) “Pension Board” means the board established under section 3 of Schedule 2 of the former Act;
- (m) “personal information” means recorded information about an identifiable individual;
- (n) “Plan” means the Public Service Pension Plan continued by section 2;
- (o) “plan costs” means the costs, charges and expenses permitted to be paid from the plan fund in accordance with section 36;
- (p) “plan fund” means the assets and investments of the Plan, described in Schedule 2 of the former Act as the Public Service Pension Plan Fund;
- (q) “plan text” means the record setting out the rights, obligations and entitlements under the Plan;
- (r) “sponsor organization” means an employee organization or an employer organization;
- (s) “Sponsor Board” means the PSPP Sponsor Board established by section 3;
- (t) “Superintendent” means the Superintendent of Pensions appointed under the EPPA, and includes the Deputy Superintendent of Pensions appointed under that Act;
- (u) “transition date” means March 1, 2019 or, subject to subsection (2), such later date as set by the Lieutenant Governor in Council.

**(2)** For the purposes of subsection (1)(u), the Lieutenant Governor in Council may, before March 1, 2019, set a later date that is no later than April 1, 2019.

**Continuation of Public Service Pension Plan**

**2** The pension plan provided for by and under Schedule 2 of the former Act is continued on the transition date as the Public Service Pension Plan under this Act and this Schedule.

**Part 1**  
**Establishment of PSPP Sponsor Board**

**PSPP Sponsor Board**

**3(1)** There is hereby established a board to be known as the “PSPP Sponsor Board” consisting of the members appointed in accordance with section 4.

**(2)** Notwithstanding section 2(1) of the *Financial Administration Act*, the Sponsor Board is not for the purposes of any enactment a Provincial committee as defined in that Act.

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

**Composition of Sponsor Board**

**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) 4 employee representatives appointed as follows:
  - (i) 3 members appointed by The Alberta Union of Provincial Employees;
  - (ii) one member appointed by the University of Alberta Non-academic Staff Association;
- (b) 4 employer representatives appointed as follows:
  - (i) 3 members appointed by the Minister responsible for this Act;
  - (ii) subject to section 5, one member appointed by The Governors of The University of Alberta or The Governors of The University of Calgary.

**(2)** To be eligible to be or to remain a member of the Sponsor Board, an individual

- (a) must be at least 18 years of age, and
- (b) must not be a director of the Corporation.

(3) A sponsor organization appoints a member of the Sponsor Board by giving notice to the Corporation.

(4) 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.

#### **Rotational appointments**

5 For the appointment contemplated by section 4(1)(b)(ii), The Governors of The University of Alberta has the power of appointment for a period ending 3 years after the transition date, and the power of appointment rotates every 3 years after that period between The Governors of The University of Calgary and The Governors of The University of Alberta.

#### **Remuneration**

6 The members of the Sponsor Board are not entitled to receive remuneration from the plan fund but may be reimbursed from the plan fund for expenses incurred by them in the performance of their duties as members of the Sponsor Board.

#### **Roles, responsibilities and authorities**

7(1) The Sponsor Board has only the roles, responsibilities and authorities set out in this section and sections 8 to 10.

(2) The Sponsor Board

- (a) is responsible for making and amending plan text in accordance with the EPPA, the provisions of which must accommodate the requirements of section 28(4) and (5) in respect of the policies of participating employers and membership in the Plan,
- (b) is responsible for setting contribution rates in accordance with the funding requirements under the EPPA that are applicable to the Plan,
- (c) is responsible for making any decision, in accordance with the EPPA, to terminate the Plan or to convert it to a different kind of pension plan,
- (d) is responsible for establishing a funding policy under the EPPA, including in relation to
  - (i) the frequency of actuarial valuations of the Plan, and
  - (ii) investment risk and other risks,

- (e) is responsible for reviewing the proposed annual budget of the Corporation and any updates to that budget, and may provide directions to the Corporation in relation to the budget,
- (f) shall establish a code of conduct and conflict of interest policy governing its members,
- (g) shall determine and communicate to the Corporation the nature and level of support that it requires to be provided to it by or through the Corporation, and
- (h) shall on making any of the following provide a copy to the Corporation:
  - (i) plan text and any amendments to plan text;
  - (ii) a change to the contribution rates under clause (b);
  - (iii) a decision made under clause (c);
  - (iv) the funding policy made under clause (d) and any amendments to the funding policy;
  - (v) the code of conduct and conflict of interest policy made under clause (f) and any amendments to that policy;
  - (vi) any rules made under section 8 or 9.

**(3)** In carrying out the roles and responsibilities and exercising the authorities of the Sponsor Board, the members of the Sponsor Board shall consider the interests of retired members of the Plan.

**(4)** The Sponsor Board may delegate to or arrange for the performance by the Corporation of responsibilities assigned by this Schedule to the Sponsor Board including, without limitation, amending plan text or increasing contribution rates, but only if such delegation to or performance by the Corporation is limited to taking action required to achieve compliance with the EPPA or this Act and this Schedule or any other applicable law.

**(5)** Notwithstanding subsection (4), the Sponsor Board may not delegate to the Corporation the authority to impose a differential increase in contribution rates as between members and participating employers.

**(6)** If, following receipt of a valuation report from the Plan's actuary, the Sponsor Board has not

- (a) pursuant to subsection (4), delegated to the Corporation the authority to increase contribution rates if required to comply with applicable funding requirements under the EPPA, or
- (b) otherwise taken steps sufficient to comply with those requirements, within the time required under the EPPA for doing so,

the Sponsor Board is deemed to have increased contribution rates, equally as between members and participating employers, as indicated in the valuation report as being necessary to comply with applicable funding requirements under the EPPA, and such contribution rate increases shall be implemented by the Corporation, effective on the date required to comply with applicable funding requirements under the EPPA.

**Sponsor Board rules**

**8(1)** The Sponsor Board shall make rules

- (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
  - (i) a suitable mix of competencies,
  - (ii) a diversity of perspectives, and
  - (iii) gender balance,as defined or determined in accordance with the rules;
- (b) determining the remuneration to be paid to the directors of the Corporation.

**(2)** The Sponsor Board may make rules

- (a) subject to subsection (3), altering the composition of the Sponsor Board;

- (b) subject to section 36(3), respecting the costs, charges and expenses that may be charged to the plan fund by the Corporation;
- (c) governing the withdrawal of a participating employer from the Plan under section 10;
- (d) respecting the entering into by the Corporation of any agreements for the reciprocal transfer or portability of pension benefits between the Plan and any other pension plan;
- (e) governing the internal practice and procedures of the Sponsor Board, including governing the selection of a chair and a vice-chair, the calling of meetings, quorum, procedures at meetings, voting procedures and the majority required to make or amend plan text or Sponsor Board rules or to pass other resolutions.

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

- (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,

or

- (b) results in other than one half of the members being appointed by employee organizations and one half of the members being appointed by employer organizations.

(4) To the extent the Sponsor Board has not made rules under subsection (2)(e) that are applicable, the following provisions govern the internal procedures of the Sponsor Board:

- (a) if the Sponsor Board has not made rules with respect to the designation of a chair and a vice-chair, the members appointed by the employee organizations shall designate the chair and the members appointed by the employer 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 members appointed by the employer organizations and the members appointed by the employee organizations;
- (b) if the Sponsor Board has not made rules with respect to the calling of meetings of the Sponsor Board, a meeting may be called by either the chair or the vice-chair, and shall be called on reasonable notice to allow the members to attend the meeting in person or by electronic means;
- (c) if the Sponsor Board has not made rules with respect to quorum, a majority of the members appointed by employee organizations and a majority of the members appointed by employer organizations constitute quorum;
- (d) if the Sponsor Board has not made rules with respect to the majority required to make resolutions or decisions of the Sponsor Board,
  - (i) subject to subclause (ii), a resolution or decision is made only if it is approved by
    - (A) at least 3/4 of the members appointed by the employee organizations who are present at the meeting, and
    - (B) at least 3/4 of the members appointed by the employer organizations who are present at the meeting,

and

- (ii) if a matter involves a resolution or decision to terminate the Plan or convert it wholly or in part from a defined benefit plan to a defined contribution

plan or a target benefit plan, the resolution or decision is made only if it is approved unanimously by the members present at the meeting.

(5) The *Regulations Act* does not apply to rules made by the Sponsor Board under subsections (1) and (2) or section 9.

**New participating employers**

9 The Sponsor Board may make rules in respect of the admission of new participating employers to the Plan and, where no rules have been made that are applicable to a particular application for admission, the Sponsor Board is responsible for approving or denying the application.

**Employer withdrawal**

10 The Sponsor Board shall ensure that, within 5 years after the transition date, provisions governing the withdrawal of a participating employer from the Plan are made and set out in rules made by the Sponsor Board or in plan text, or both.

**Part 2  
Establishment of PSPP Corporation**

**Establishment of PSPP Corporation**

11(1) There is hereby established a corporation without share capital with the name “PSPP Corporation”.

(2) The Corporation has the capacity and, subject to this Schedule, the rights, powers and privileges of a natural person.

(3) The Corporation shall maintain its principal office in Alberta.

(4) The fiscal year of the Corporation is January 1 to the following December 31.

**Not Crown agent**

12 The Corporation is not an agent of the Crown.

**Auditor General**

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

**Not Provincial corporation or public agency**

14(1) Notwithstanding section 2(1) of the *Financial Administration Act*, the Corporation is not for the purposes 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*.

**Non-applicability of Acts**

**15** The following Acts do not apply to the Corporation:

- (a) *Companies Act*;
- (b) *Loan and Trust Corporations Act*.

**Roles, responsibilities and authorities**

**16(1)** The Corporation, on becoming the trustee of the plan fund under section 26, is responsible for

- (a) the plan fund, including investment of the assets of the plan fund, and
- (b) making payments from the plan fund in respect of plan costs.

(2) The Corporation, on becoming the administrator of the Plan under section 27, is responsible for

- (a) subject to this Schedule, carrying out and performing all of the duties, functions and responsibilities of an administrator under the EPPA, and
- (b) except to the extent that responsibility has been expressly assigned to the Sponsor Board by sections 7 to 10, all other actions required for the proper administration of the Plan.

(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:

- (a) in connection with the investment of the plan fund, determining, after having regard to provisions of the funding policy respecting investment risk and other risks, the statement of investment policies and procedures required under the EPPA;
- (b) arranging for external service providers as may be required for the administration of the Plan and the investment of the plan fund;

- (c) arranging for actuarial valuations, at intervals required by the funding policy, and for that purpose determining, having regard to the funding policy, the actuarial assumptions and methods to be used;
- (d) ensuring that the Plan complies with all applicable provincial and federal legislation;
- (e) preparing an annual budget for the Corporation and any updates required to that budget, in accordance with any directions given by the Sponsor Board under section 7(2)(e);
- (f) entering into any agreements for the reciprocal transfer or portability of pension benefits between the Plan and any other pension plan, subject to any rules made by the Sponsor Board under section 8(2)(d);
- (g) providing or arranging for all support, services and advice required by the Sponsor Board for the purpose of carrying out the roles, responsibilities and authorities assigned to the Sponsor Board by this Schedule;
- (h) paying plan costs from the plan fund;
- (i) receiving and processing applications for admission to the Plan by new employers, subject to and in accordance with any rules or decisions made by the Sponsor Board under section 9;
- (j) maintaining all financial and other records in relation to the Plan, including an annual report with annual audited financial statements;
- (k) communicating with members of the Plan and with participating employers;
- (l) establishing and maintaining the website as required by section 41.

**Agreements for pension and investment management services**

**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 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.

#### **Transfer of employees**

**18(1)** In this section, “secretariat employees” means employees of Alberta Pensions Services Corporation who are designated, prior to the transition date, by notice from Alberta Pensions Services Corporation to the Corporation, as employees who have been and are assigned exclusively to supporting the Pension Board under the former Act.

(2) On the transition date, the secretariat employees are transferred to and become employees of the Corporation.

(3) The transfer of employees under subsection (2)

- (a) continues their employment on the same terms and conditions as were applicable under their employment with Alberta Pensions Services Corporation, except that the Corporation may substitute benefit programs if the overall benefits provided to the employees are in aggregate generally commensurate with the previous benefit programs,
- (b) does not constitute for any purpose a termination of employment and does not constitute constructive dismissal or give rise to an obligation to provide notice or payment in lieu of notice, and
- (c) is a continuation of employment for all purposes, including any common law right to notice of any future

termination of employment or payment in lieu of such notice.

**Board of directors**

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

**(2)** Directors may receive remuneration for acting in that capacity only in accordance with rules made by the Sponsor Board under section 8(1)(b).

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

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

**Appointment of directors**

**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

(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.

**Rotational appointments**

**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.

**Term of appointment**

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

**(2)** Notwithstanding subsection (1), the initial directors may be appointed for a term expiring 3 years from the transition date.

**(3)** A director ceases to hold office when

- (a) the director's appointment expires, or
- (b) the director's appointment is terminated under section 20(5) or (6).

**(4)** A director shall not serve on the board for more than 10 consecutive years including any hold-over period referred to in subsection (6).

**(5)** Breaks in service of less than 2 years shall be disregarded in determining a number of consecutive years for the purposes of subsection (4).

**(6)** Notwithstanding subsection (3)(a), where a director's appointment expires, the director continues to hold office until

- (a) the director is reappointed,
- (b) a successor is appointed, or
- (c) 6 months have elapsed,

whichever occurs first.

**Bylaws**

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

- (a) respecting the designation of a chair and a vice-chair of the board of directors;

- (b) respecting the calling of meetings of the board of directors and the conduct of business at them;
- (c) respecting notice of meetings of the board of directors;
- (d) respecting participation at meetings by any electronic means;
- (e) specifying the majority required for passing resolutions of the board of directors;
- (f) respecting quorum;
- (g) specifying processes, which may include mediation or arbitration, in the event of a tie vote of the board of directors;
- (h) respecting committees of directors;
- (i) respecting the general conduct and operation of the business of the Corporation.

**(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 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 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) if the board of directors has not made a bylaw with respect to the calling of meetings of the board of directors, a meeting may be called by either the chair or the vice-chair, or by a majority of the directors, and shall be called on reasonable notice to allow the directors to attend the meeting in person or by electronic means;
- (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 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 appointed by the employee organizations and a majority of the directors appointed by the employer organizations constitute quorum.

(3) The *Regulations Act* does not apply to bylaws of the Corporation.

#### **Responsibility of directors and officers**

**24** Every director and officer, in exercising powers and discharging duties, shall

- (a) act honestly and in good faith and with a view to the best interests of the Corporation, and
- (b) exercise the care, diligence and skill that a reasonable and prudent person would exercise in comparable circumstances.

#### **Indemnities**

**25(1)** The Corporation may indemnify

- (a) a present or former director or officer of the Corporation, and
- (b) an individual who acts or acted at the Corporation's request as a director or officer, or in a similar capacity, of another entity

against costs, charges and expenses, including any amount paid to settle an action or satisfy a judgment, reasonably incurred by that person with respect to a civil, criminal or administrative action or proceeding to which that person is made a party by reason of holding such a position if that person acted honestly, in good faith and with a view to the best interests of the Corporation or, as the case may be, to the best interests of the other entity for which the individual acted as a director or officer or in a similar capacity at the Corporation's request and, in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, that person had reasonable grounds for believing that the conduct that is the subject of the action or proceeding was lawful.

(2) An indemnity under subsection (1) must be

(a) in writing, and

(b) authorized by a resolution of the board of directors.

(3) The Corporation shall not provide indemnities to those persons described in subsection (1) except as authorized by subsection (1).

### **Part 3 Transition to Joint Governance**

#### **Transfer of plan fund**

**26(1)** On the transition date, ownership of the plan fund is transferred from the Pension Board as trustee to the Corporation as trustee.

(2) The assets of the plan fund shall continue to be held in trust for members of the Plan and others entitled to benefits under the Plan, and shall be used only for providing benefits pursuant to the Plan and for paying plan costs.

#### **Administration of Plan**

**27(1)** On the transition date, the Corporation becomes the administrator of the Plan.

(2) As of the transition date, the Minister and the Crown have no responsibilities, functions, obligations, duties or liabilities in relation to administration of the Plan.

#### **Participating members and employers**

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

(2) As of the transition date, employers participating in the Plan immediately prior to the transition date continue to be participating employers of the Plan.

(3) As of the transition date, participating employers of the Plan are bound by the terms of the plan documents, within the meaning of the EPPA, 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) 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.

**(5)** A policy of a participating employer referred to in subsection (4) may be amended within the period of 3 years after the transition date if the amendment is agreed to between the participating employer and an organization representing the employees subject to the policy, or any subgroup of those employees, and in the case of a subgroup of employees, the amendment shall apply only to that subgroup of employees.

#### **Withdrawal of employers**

**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.

#### **Successor employers**

**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) 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.

**Pension plan provisions**

**31** The rights, obligations and entitlements under the Plan as of the transition date are those set out in the plan text document described in section 34.

**Transfer of plan records**

**32(1)** In this section, "record" means a record of information in any form relating to the administration of the Plan or the investment of the plan fund that is in the custody or control of

- (a) the Minister, as administrator and delegated trustee of the Plan under the former Act, and
- (b) the Pension Board, in the Pension Board's capacity under the former Act,

but excludes any record of information or part of any record of information to the extent that the record or part of the record was held or created primarily for purposes other than the administration of the Plan or the investment of the plan fund.

(2) All records are transferred, on the transition date, from the control of the Minister and the Pension Board, as applicable, to the control of the Corporation.

(3) To the extent a record contains personal information, each of the Minister and the Pension Board are authorized to disclose the information to the Corporation, and the Corporation is authorized

to collect, use and disclose the information for the purpose of administering the Plan.

(4) The Minister may retain a copy of any record for archival or legal purposes.

#### **Part 4 Registration under the Employment Pension Plans Act**

##### **Deemed registration of Plan**

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

(2) For the purposes of subsection (1),

- (a) the Corporation is the administrator of the Plan under the EPPA,
- (b) the Plan is a jointly sponsored plan under the EPPA, and
- (c) the Plan is not a publicly funded plan under the EPPA.

(3) For greater certainty,

- (a) the Corporation is the fundholder for the Plan under the EPPA,
- (b) the Superintendent is the regulator of the Plan under the EPPA,
- (c) the Plan is a non-collectively bargained multi-employer plan under the EPPA, and
- (d) the employers participating in the Plan on the transition date are the participating employers under 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.

**(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.

**Plan text document**

**34(1)** On the transition date, the plan text document, as contemplated under the EPPA, consists of plan text that has been

- (a) approved by the Sponsor Board, and
- (b) confirmed in writing by the Superintendent to be in compliance with the requirements, subject to this Act and this Schedule, of the EPPA.

**(2)** If a plan text document, as contemplated under the EPPA, has not been approved or confirmed pursuant to subsection (1), the record that sets out the rights, obligations and entitlements under the Plan on the transition date is comprised of

- (a) sections 5(1) and 8 of Schedule 2 of the former Act,
- (b) all of the provisions of the *Public Service Pension Plan Regulation* (AR 368/93), and

- (c) section 12 of the *Public Sector Pension Plans (Legislative Provisions) Regulation* (AR 365/93), and sections 4.1 and 24.05 to 24.09 of Schedule 2 of that regulation,

as these provisions read immediately prior to the transition date and notwithstanding any subsequent legislative repeal of these provisions.

**(3)** The record referred to in subsection (2), until replaced or amended by the Sponsor Board in accordance with this Act and this Schedule and the EPPA,

- (a) is deemed to be the plan text document for the Plan as required under the EPPA notwithstanding any conflict with the requirements under the EPPA, and
- (b) applies and shall be read with all modifications as are necessary to give effect to the record having regard to the continuation of the Plan in accordance with, and as amended by, the provisions of this Schedule.

**(4)** For greater certainty, and without limiting the scope of subsection (3), the following references in the record referred to in subsection (2) shall be read as follows:

- (a) all references to the former Act, the *Public Sector Pension Plans (Legislative Provisions) Regulation* (AR 365/93), the *Local Authorities Pension Plan Regulation* (AR 366/93) and the *Public Service Pension Plan Regulation* (AR 368/93), or any part of that Act or those regulations, shall be read as references to the applicable provisions of that Act or those regulations as they read immediately prior to the transition date and notwithstanding any subsequent legislative repeal of any of those provisions;
- (b) all references to the “plan rules” shall be read as references to the provisions of the *Public Service Pension Plan Regulation* (AR 368/93) as they read immediately prior to the transition date and notwithstanding any subsequent legislative repeal of any of those provisions;
- (c) in section 12(2) of the *Public Sector Pension Plans (Legislative Provisions) Regulation* (AR 365/93) the reference to “, the Minister, the Minister of Finance and

the Crown” shall be read as a reference to “and the Corporation”;

- (d) in section 24.07 of Schedule 2 of the *Public Sector Pension Plans (Legislative Provisions) Regulation* (AR 365/93), the reference to “Crown” shall be read as a reference to the “Corporation”;
- (e) in section 17(1) of the *Public Service Pension Plan Regulation* (AR 368/93),
  - (i) the reference to “employer or the Crown” shall be read as a reference to “employer”, and
  - (ii) the reference to “employer or the Crown, as the case may be” shall be read as a reference to “employer”;
- (f) subject to clause (c), all references to the “Minister”, “Minister of Finance” or “President of Treasury Board and Minister of Finance” shall be read as references to the “Corporation”, unless the reference is in respect of the determination of who may be a participating employer under the Plan, in which case the reference shall be read as a reference to the “Sponsor Board”;
- (g) all references to the “Board” shall be read as references to the “Sponsor Board”, except
  - (i) in section 85.1(2) of the *Public Service Pension Plan Regulation* (AR 368/93) in which case the reference to “from the Board” shall be read as if that reference were struck out,
  - (ii) in section 5(1) of Schedule 2 of the former Act in which case the reference shall be read as a reference to the “Corporation”,
  - (iii) in section 24.06(3) of Schedule 2 of the *Public Sector Pension Plans (Legislative Provisions) Regulation* (AR 365/93) in which case the reference shall be read as a reference to the “Corporation”,
  - (iv) in section 24.055(1) of Schedule 2 of the *Public Sector Pension Plans (Legislative Provisions) Regulation* (AR 365/93) in which case the reference

to “, after consulting with the Board,” shall be read as if that reference were struck out, and

- (v) in section 24.08(3) of Schedule 2 of the *Public Sector Pension Plans (Legislative Provisions) Regulation* (AR 365/93) in which case the reference to “the Board and” shall be read as if that reference were struck out;
- (h) the reference to “Part 3 of the Regulations” in section 24.08 of Schedule 2 of the *Public Sector Pension Plans (Legislative Provisions) Regulation* (AR 365/93) shall be read as a reference to “Division 4 of Part 8 of the *Employment Pension Plans Act*”;
- (i) all references to the general policy guidelines set for the purposes of section 3(2)(c) of Schedule 2 of the former Act shall be read as references to the general policy guidelines with respect to the administration of the Plan as set by the Corporation, if any.

(5) On the transition date, if the plan text document contemplated by the EPPA is deemed to be the record referred to in subsection (2) in accordance with subsection (3), the Sponsor Board shall replace that record with a plan text document as contemplated by the EPPA within 2 years from the transition date.

(6) The Superintendent may extend the time limit in subsection (5) on the application of the Sponsor Board.

#### **Continuation of decisions and filings**

**35(1)** All decisions and determinations made by the Minister as the administrator and delegated trustee of the Plan prior to the transition date are binding on, and carry forward to, the Corporation as administrator and trustee of the Plan as of the transition date.

(2) All decisions and determinations made by the Pension Board in its capacity under the former Act prior to the transition date are binding on, and carry forward to, the Corporation and the Sponsor Board in their respective capacities as of the transition date.

(3) All documents filed with the Minister as the administrator and delegated trustee of the Plan prior to the transition date shall be transferred to, and are deemed to have been filed with, the



Corporation as administrator and trustee of the Plan as of the transition date.

(4) Subsections (1) and (2) do not preclude the reconsideration of any prior decisions or determinations after the transition date.

## **Part 5 General Matters**

### **Corporate and Plan costs**

**36(1)** Subject to subsections (2) and (3), the costs, charges and expenses incurred in the carrying out of the roles and responsibilities of the Sponsor Board and the Corporation under this Schedule shall be

- (a) paid by the Corporation, and
- (b) charged by the Corporation to the plan fund.

(2) Subject to subsection (3), the costs, charges and expenses that may be charged to the plan fund are subject to

- (a) any rules made by the Sponsor Board under section 8(2)(b), and
- (b) any applicable provisions of plan text.

(3) The costs, charges and expenses that may be charged to the plan fund

- (a) must be charged on a cost-recovery basis, and
- (b) include all amounts reasonably expended in the carrying out of all roles, responsibilities, duties, functions and obligations of any kind imposed on the Sponsor Board or the Corporation by or under this Act and this Schedule or by or under the EPPA.

### **Immunity**

**37(1)** In this section, “pension plan” means the Plan under Schedule 2 of the former Act as it read immediately prior to the transition date.

(2) The Corporation assumes

- (a) all rights, liabilities and obligations of the Minister and the Pension Board, and
- (b) all actions and proceedings commenced by or against the Minister or the Pension Board

in the Minister's prior capacity as administrator and delegated trustee of the pension plan and in the Pension Board's prior capacity as the trustee of the pension plan.

**(3)** No liability attaches to the Crown or the Minister or to any employee of the Crown, and no actions or proceedings may be commenced or continued against any of them, in respect of

- (a) the Minister's acts or omissions while acting in the Minister's prior capacity as administrator and delegated trustee of the pension plan, excepting only wilful misconduct involving misappropriation of trust funds by the Minister or any employee of the Crown, or
- (b) the coming into force or implementation of this Act and this Schedule.

**(4)** For greater certainty, subsection (3) does not apply to any cause of action or proceeding against any corporation that has provided pension administration services or investment management services to or on behalf of the Crown or the Minister.

**(5)** No liability attaches to members of the Pension Board, and no actions or proceedings may be commenced or continued against members of the Pension Board, in respect of the Pension Board's acts or omissions while acting in its prior capacity as trustee of the pension plan.

#### **Review of prior administrative decisions**

**38(1)** In this section, "administrative decision" means a decision made by Alberta Pensions Services Corporation prior to the transition date in respect of an individual and the individual's rights, obligations or entitlements under the Plan.

**(2)** As of the transition date, all unresolved requests to the Pension Board for a review of an administrative decision shall be considered and concluded by the Corporation as follows:

- (a) the Corporation shall, in substance and to the extent practicable, adopt and follow the prior practices and

procedures of the Pension Board in considering the request;

- (b) all prior submissions in respect of the request shall be considered by the Corporation;
- (c) the Corporation shall render a decision in respect of the request within a reasonable period of time after all submissions have been made.

**(3)** The Corporation may delegate its responsibilities and obligations under subsection (2) to a committee established by the board of directors.

**(4)** No liability attaches to the members of the Pension Board or the Corporation in respect of

- (a) the change in the decision maker provided for in subsection (2),
- (b) any consequential need to repeat or make duplicate submissions,
- (c) any reasonable deviations from the prior practices and procedures of the Pension Board, or
- (d) any reasonable delay in considering the request to review an administrative decision arising due to the change in decision maker.

**Agreements for the reciprocal transfer or portability of pension benefits**

**39(1)** In this section,

- (a) “Internal Transfer Agreement” means the arrangement for the reciprocal transfer or portability of pension benefits between the Local Authorities Pension Plan, the Public Service Pension Plan and the Management Employees Pension Plan effective January 1, 2008 as made by the Minister of Finance (Order No. 01/2007), dated December 31, 2007;
- (b) “transfer agreement” means an agreement or arrangement for the reciprocal transfer or portability of pension benefits made prior to the transition date between the Plan and another pension plan, including the Internal Transfer Agreement.

- (2) With respect to each transfer agreement,
- (a) the rights, liabilities and obligations of the Minister under the transfer agreement shall, as of the transition date, become the rights, liabilities and obligations of the Corporation,
  - (b) the Corporation is deemed to be a party to the transfer agreement,
  - (c) the Minister has no further rights, liabilities or obligations under the transfer agreement as of the transition date,
  - (d) any transfers of pension benefits in progress on the transition date continue and shall be processed as if there were no change of administrator, and
  - (e) the transfer agreement expires 2 years after the transition date unless otherwise extended by the parties to the transfer agreement.
- (3) With respect to the Internal Transfer Agreement, in addition to and without limiting the application of subsection (2), as of the transition date, sections 9 and 10 of the Internal Transfer Agreement are deemed to be rescinded.

**Collection and disclosure of employment information**

- 40(1)** In this section, “employment information” means personal information of a member of the Plan and the member’s pension partner and beneficiaries that is required to administer the rights, obligations and entitlements of that member under the Plan.
- (2) The Corporation and its pension administration service provider are authorized to
- (a) collect employment information, whether directly or indirectly,
  - (b) use that information in relation to the administration of the Plan, and
  - (c) disclose that information
    - (i) to each other,
    - (ii) to the member to whom the information relates, and

- (iii) to the participating employer of the member to the extent that the information relates to employment with that participating employer.

**(3)** Participating employers are authorized to collect employment information from, and to disclose it to,

- (a) the member to whom the information relates, and
- (b) the Corporation and its pension administration service provider.

**Disclosure of information on website**

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

- (a) the location of the Corporation's principal office;
- (b) a listing of the current board of directors, including the names of the sponsor organizations that appointed the directors;
- (c) a listing of the current members of the Sponsor Board, including the names of the sponsor organizations that appointed the members;
- (d) any rules made by the Sponsor Board under section 8 or 9;
- (e) the current bylaws of the Corporation;
- (f) the most recent annual report, including audited financial statements, of the Corporation and the Plan, and the annual reports for the previous 5 years;
- (g) plan text and any amendments to plan text;
- (h) compensation paid to directors and officers of the Corporation and amounts expended by the Corporation for reimbursement of expenses incurred by directors and officers of the Corporation;
- (i) amounts expended at the request of the Sponsor Board, including reimbursement of expenses incurred by members of the Sponsor Board;
- (j) any other information required by the Sponsor Board to be disclosed.

- (2) For the purposes of disclosure under subsection (1)(h),
- (a) “compensation” has the same meaning as under the Public Sector Compensation Transparency Act, and
  - (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 Corporation.

**Method of giving notice**

**42(1)** Any notice to be given under this Schedule to the Sponsor Board or the Corporation, and any service of documents to the Sponsor Board or the Corporation under any other enactment, is sufficiently given if it is delivered by any means to the Corporation’s principal office.

(2) If, following the establishment of the Corporation under section 11, the Corporation has not formally established a principal office, the principal office of the employees of Alberta Pensions Services Corporation who have been assigned to supporting the Pension Board under the former Act is deemed for the time being to be the principal office of the Corporation.

**Schedule 3**

**Special Forces Pension Plan Provisions**

**Interpretation**

- 1(1)** In this Schedule,
- (a) “board of directors” means the board of directors of the Corporation;
  - (b) “Corporation” means the SFPP Corporation established by section 10;
  - (c) “Crown” means the Crown in right of Alberta;
  - (d) “director” means a member of the board of directors;
  - (e) “employee organization” means an organization referred to in section 4(1)(a), and includes a successor to any of those organizations;

- (f) “employer organization” means an organization referred to in section 4(1)(b) or (5), and includes a successor to any of those organizations;
- (g) “EPPA” means the *Employment Pension Plans Act*;
- (h) “former Act” means the *Public Sector Pension Plans Act*;
- (i) “funding policy” means a funding policy established by the Sponsor Board under section 6(2)(d);
- (j) “member”, in respect of the Plan, has the same meaning as under the EPPA;
- (k) “Minister” means the Minister responsible for the former Act, and includes, where the context permits, the Crown;
- (l) “Pension Board” means the board established under section 3 of Schedule 4 of the former Act;
- (m) “personal information” means recorded information about an identifiable individual;
- (n) “Plan” means the Special Forces Pension Plan continued by section 2;
- (o) “plan costs” means the costs, charges and expenses permitted to be paid from the plan fund in accordance with section 34;
- (p) “plan fund” means the assets and investments of the Plan comprised of the Special Forces Plan Fund and the Special Forces Pension Indexing Fund under Schedule 4 of the former Act as merged pursuant to section 24;
- (q) “plan text” means the record setting out the rights, obligations and entitlements under the Plan;
- (r) “sponsor organization” means an employee organization or an employer organization;
- (s) “Sponsor Board” means the SFPP Sponsor Board established by section 3;
- (t) “Superintendent” means the Superintendent of Pensions appointed under the EPPA, and includes the Deputy Superintendent of Pensions appointed under that Act;

(u) “transition date” means March 1, 2019 or, subject to subsection (2), such later date as set by the Lieutenant Governor in Council.

(2) For the purposes of subsection (1)(u), the Lieutenant Governor in Council may, before March 1, 2019, set a later date that is no later than April 1, 2019.

**Continuation of Special Forces Pension Plan**

2 The pension plan provided for by and under Schedule 4 of the former Act is continued on the transition date as the Special Forces Pension Plan under this Act and this Schedule.

**Part 1**

**Establishment of SFPP Sponsor Board**

**SFPP Sponsor Board**

3 There is hereby established a board to be known as the “SFPP Sponsor Board” consisting of the members appointed in accordance with section 4.

**Composition of Sponsor Board**

4(1) Except as otherwise provided in rules made by the Sponsor Board under section 7(2)(a), the Sponsor Board consists of the following members appointed by the following organizations:

(a) 3 employee representatives appointed as follows:

(i) one member appointed by The Edmonton Police Association;

(ii) one member appointed by The Calgary Police Association;

(iii) one member appointed by the Alberta Federation of Police Associations;

(b) 3 employer representatives appointed as follows:

(i) one member appointed by the City of Calgary;

(ii) one member appointed by the City of Edmonton;

(iii) subject to subsection (5), one member appointed by the City of Medicine Hat.



**(2)** To be eligible to be or to remain a member of the Sponsor Board, an individual

- (a) must be at least 18 years of age, and
- (b) must not be a director of the Corporation.

**(3)** A sponsor organization appoints a member of the Sponsor Board by giving notice to the Corporation.

**(4)** 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)** On the expiry of 3 years following the transition date, the member appointed by the City of Medicine Hat under subsection (1)(b)(iii) shall cease to be a member of the Sponsor Board, and thereafter the member to be appointed under subsection (1)(b)(iii) must be appointed unanimously by, or pursuant to a process unanimously agreed on by, the City of Lethbridge, the City of Medicine Hat, the City of Lacombe, the City of Camrose and the Town of Taber.

**Remuneration**

**5** The members of the Sponsor Board are not entitled to receive remuneration from the plan fund but may be reimbursed from the plan fund for expenses incurred by them in the performance of their duties as members of the Sponsor Board.

**Roles, responsibilities and authorities**

**6(1)** The Sponsor Board has only the roles, responsibilities and authorities set out in this section and sections 7 to 9.

**(2)** The Sponsor Board

- (a) is responsible for making and amending plan text in accordance with the EPPA,
- (b) is responsible for setting contribution rates in accordance with the funding requirements under the EPPA that are applicable to the Plan,
- (c) is responsible for making any decision, in accordance with the EPPA, to terminate the Plan or to convert it to a different kind of pension plan,

- (d) is responsible for establishing a funding policy under the EPPA, including in relation to
  - (i) the frequency of actuarial valuations of the Plan, and
  - (ii) investment risk and other risks,
- (e) is responsible for reviewing the proposed annual budget of the Corporation and any updates to that budget, and may provide directions to the Corporation in relation to the budget,
- (f) shall establish a code of conduct and conflict of interest policy governing its members,
- (g) shall determine and communicate to the Corporation the nature and level of support that it requires to be provided to it by or through the Corporation, and
- (h) shall on making any of the following provide a copy to the Corporation:
  - (i) plan text and any amendments to plan text;
  - (ii) a change to the contribution rates under clause (b);
  - (iii) a decision made under clause (c);
  - (iv) the funding policy made under clause (d) and any amendments to the funding policy;
  - (v) the code of conduct and conflict of interest policy made under clause (f) and any amendments to that policy;
  - (vi) any rules made under section 7 or 8.

**(3)** In carrying out the roles and responsibilities and exercising the authorities of the Sponsor Board, the members of the Sponsor Board shall consider the interests of retired members of the Plan.

**(4)** The Sponsor Board may delegate to or arrange for the performance by the Corporation of responsibilities assigned by this Schedule to the Sponsor Board including, without limitation, amending plan text or increasing contribution rates, but only if such delegation to or performance by the Corporation is limited to

taking action required to achieve compliance with the EPPA or this Act and this Schedule or any other applicable law.

(5) Notwithstanding subsection (4), the Sponsor Board may not delegate to the Corporation the authority to impose a differential increase in contribution rates as between members and participating employers.

(6) If, following receipt of a valuation report from the Plan's actuary, the Sponsor Board has not

- (a) pursuant to subsection (4), delegated to the Corporation the authority to increase contribution rates if required to comply with applicable funding requirements under the EPPA, or
- (b) otherwise taken steps sufficient to comply with those requirements, within the time required under the EPPA for doing so,

the Sponsor Board is deemed to have increased contribution rates, equally as between members and participating employers, as indicated in the valuation report as being necessary to comply with applicable funding requirements under the EPPA, and such contribution rate increases shall be implemented by the Corporation, effective on the date required to comply with applicable funding requirements under the EPPA.

#### **Sponsor Board rules**

7(1) The Sponsor Board shall make rules

- (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
  - (i) a suitable mix of competencies,
  - (ii) a diversity of perspectives, and
  - (iii) gender balance,as defined or determined in accordance with the rules;
- (b) determining the remuneration to be paid to the directors of the Corporation.

**(2)** The Sponsor Board may make rules

- (a) subject to subsection (3), altering the composition of the Sponsor Board;
- (b) subject to section 34(3), respecting the costs, charges and expenses that may be charged to the plan fund by the Corporation;
- (c) governing the withdrawal of a participating employer from the Plan under section 9;
- (d) respecting the entering into by the Corporation of any agreements for the reciprocal transfer or portability of pension benefits between the Plan and any other pension plan;
- (e) governing the internal practice and procedures of the Sponsor Board, including governing the selection of a chair and a vice-chair, the calling of meetings, quorum, procedures at meetings, voting procedures and the majority required to make or amend plan text or Sponsor Board rules or to pass other resolutions.

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

- (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,

or

- (b) results in other than one half of the members being appointed by employee organizations and one half of the members being appointed by employer organizations.

(4) To the extent the Sponsor Board has not made rules under subsection (2)(e) that are applicable, the following provisions govern the internal procedures of the Sponsor Board:

- (a) if the Sponsor Board has not made rules with respect to the designation of a chair and a vice-chair, the members appointed by the employee organizations shall designate the chair and the members appointed by the employer 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 members appointed by the employer organizations and the members appointed by the employee organizations;
- (b) if the Sponsor Board has not made rules with respect to the calling of meetings of the Sponsor Board, a meeting may be called by either the chair or the vice-chair, and shall be called on reasonable notice to allow the members to attend the meeting in person or by electronic means;
- (c) if the Sponsor Board has not made rules with respect to quorum, a majority of the members appointed by employee organizations and a majority of the members appointed by employer organizations constitute quorum;
- (d) if the Sponsor Board has not made rules with respect to the majority required to make resolutions or decisions of the Sponsor Board,
  - (i) subject to subclause (ii), a resolution or decision is made only if at least 8 votes are cast in favour of it, for which purpose
    - (A) each member appointed under section 4(1)(a)(i) or (ii) or (b)(i) or (ii) is entitled to cast 2 votes, and
    - (B) each member appointed under section 4(1)(a)(iii) or (b)(iii) is entitled to cast one vote,
  - and
  - (ii) if a matter involves a resolution or decision to terminate the Plan or convert it wholly or in part from a defined benefit plan to a defined contribution

plan or a target benefit plan, the resolution or decision is made only if it is approved unanimously by the members present at the meeting.

(5) The *Regulations Act* does not apply to rules made by the Sponsor Board under subsections (1) and (2) or section 8.

**New participating employers**

8 The Sponsor Board may make rules in respect of the admission of new participating employers to the Plan and, where no rules have been made that are applicable to a particular application for admission, the Sponsor Board is responsible for approving or denying the application.

**Employer withdrawal**

9 The Sponsor Board shall ensure that, within 5 years after the transition date, provisions governing the withdrawal of a participating employer from the Plan are made and set out in the rules made by the Sponsor Board or in plan text, or both.

**Part 2  
Establishment of SFPP Corporation**

**Establishment of SFPP Corporation**

10(1) There is hereby established a corporation without share capital with the name “SFPP Corporation”.

(2) The Corporation has the capacity and, subject to this Schedule, the rights, powers and privileges of a natural person.

(3) The Corporation shall maintain its principal office in Alberta.

(4) The fiscal year of the Corporation is January 1 to the following December 31.

**Not Crown agent**

11 The Corporation is not an agent of the Crown.

**Auditor General**

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

**Not Provincial corporation or public agency**

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*.

**Non-applicability of Acts**

**14** The following Acts do not apply to the Corporation:

- (a) *Companies Act*,
- (b) *Loan and Trust Corporations Act*.

**Roles, responsibilities and authorities**

**15(1)** The Corporation, on becoming the trustee of the plan fund under section 24, is responsible for

- (a) the plan fund, including investment of the assets of the plan fund, and
- (b) making payments from the plan fund in respect of plan costs.

**(2)** The Corporation, on becoming the administrator of the Plan under section 25, is responsible for

- (a) subject to this Schedule, carrying out and performing all of the duties, functions and responsibilities of an administrator under the EPPA, and
- (b) except to the extent that responsibility has been expressly assigned to the Sponsor Board by sections 6 to 9, all other actions required for the proper administration of the Plan.

**(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:

- (a) in connection with the investment of the plan fund, determining, after having regard to provisions of the funding policy respecting investment risk and other risks, the statement of investment policies and procedures required under the EPPA;
- (b) arranging for external service providers as may be required for the administration of the Plan and the investment of the plan fund;
- (c) arranging for actuarial valuations, at intervals required by the funding policy and for that purpose determining,

- having regard to the funding policy, the actuarial assumptions and methods to be used;
- (d) ensuring that the Plan complies with all applicable provincial and federal legislation;
  - (e) preparing an annual budget for the Corporation and any updates required to that budget, in accordance with any directions given by the Sponsor Board under section 6(2)(e);
  - (f) entering into any agreements for the reciprocal transfer or portability of pension benefits between the Plan and any other pension plan, subject to any rules made by the Sponsor Board under section 7(2)(d);
  - (g) providing or arranging for all support, services and advice required by the Sponsor Board for the purpose of carrying out the roles, responsibilities and authorities assigned to the Sponsor Board by this Schedule;
  - (h) paying plan costs from the plan fund;
  - (i) receiving and processing applications for admission to the Plan by new employers, subject to and in accordance with any rules or decisions made by the Sponsor Board under section 8;
  - (j) maintaining all financial and other records in relation to the Plan, including an annual report with annual audited financial statements;
  - (k) communicating with members of the Plan and with participating employers;
  - (l) establishing and maintaining the website as required by section 40.

**Agreements for pension and investment management services**

**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 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.

**Transfer of employees**

**17(1)** In this section, “secretariat employees” means employees of Alberta Pensions Services Corporation who are designated, prior to the transition date, by notice from Alberta Pensions Services Corporation to the Corporation, as employees who have been and are assigned exclusively to supporting the Pension Board under the former Act.

**(2)** On the transition date, the secretariat employees are transferred to and become employees of the Corporation.

**(3)** The transfer of employees under subsection (2)

- (a) continues their employment on the same terms and conditions as were applicable under their employment with Alberta Pensions Services Corporation, except that the Corporation may substitute benefit programs if the overall benefits provided to the employees are in aggregate generally commensurate with the previous benefit programs,
- (b) does not constitute for any purpose a termination of employment and does not constitute constructive dismissal or give rise to an obligation to provide notice or payment in lieu of notice, and
- (c) is a continuation of employment for all purposes, including any common law right to notice of any future termination of employment or payment in lieu of such notice.

**Board of directors**

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

**(2)** Directors may receive remuneration for acting in that capacity only in accordance with rules made by the Sponsor Board under section 7(1)(b).

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

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

**Appointment of directors**

**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.

**Term of appointment**

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

(2) Notwithstanding subsection (1), the initial directors may be appointed for a term expiring 3 years from the transition date.

(3) A director ceases to hold office when

- (a) the director's appointment expires, or
- (b) the director's appointment is terminated under section 19(5) or (6).

(4) A director shall not serve on the board for more than 10 consecutive years including any hold-over period referred to in subsection (6).

(5) Breaks in service of less than 2 years shall be disregarded in determining a number of consecutive years for the purposes of subsection (4).

(6) Notwithstanding subsection (3)(a), where a director's appointment expires, the director continues to hold office until

- (a) the director is reappointed,
- (b) a successor is appointed, or
- (c) 6 months have elapsed,

whichever occurs first.

#### **Bylaws**

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

- (a) respecting the designation of a chair and a vice-chair of the board of directors;
- (b) respecting the calling of meetings of the board of directors and the conduct of business at them;
- (c) respecting notice of meetings of the board of directors;
- (d) respecting participation at meetings by any electronic means;
- (e) specifying the majority required for passing resolutions of the board of directors;

- (f) respecting quorum;
- (g) specifying processes, which may include mediation or arbitration, in the event of a tie vote of the board of directors;
- (h) respecting committees of directors;
- (i) respecting the general conduct and operation of the business of the Corporation.

**(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 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 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) if the board of directors has not made a bylaw with respect to the calling of meetings of the board of directors, a meeting may be called by either the chair or the vice-chair, or by a majority of the directors, and shall be called on reasonable notice to allow the directors to attend the meeting in person or by electronic means;
- (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 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 appointed by the employee organizations and a majority of the directors appointed by the employer organizations constitute quorum.

**(3)** The *Regulations Act* does not apply to bylaws of the Corporation.

### **Responsibility of directors and officers**

**22** Every director and officer, in exercising powers and discharging duties, shall

- (a) act honestly and in good faith and with a view to the best interests of the Corporation, and
- (b) exercise the care, diligence and skill that a reasonable and prudent person would exercise in comparable circumstances.

### **Indemnities**

**23(1)** The Corporation may indemnify

- (a) a present or former director or officer of the Corporation, and
- (b) an individual who acts or acted at the Corporation's request as a director or officer, or in a similar capacity, of another entity

against costs, charges and expenses, including any amount paid to settle an action or satisfy a judgment, reasonably incurred by that person with respect to a civil, criminal or administrative action or proceeding to which that person is made a party by reason of holding such a position if that person acted honestly, in good faith and with a view to the best interests of the Corporation or, as the case may be, to the best interests of the other entity for which the individual acted as a director or officer or in a similar capacity at the Corporation's request and, in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, that person had reasonable grounds for believing that the conduct that is the subject of the action or proceeding was lawful.

**(2)** An indemnity under subsection (1) must be

- (a) in writing, and
- (b) authorized by a resolution of the board of directors.

**(3)** The Corporation shall not provide indemnities to those persons described in subsection (1) except as authorized by subsection (1).

### **Part 3 Transition to Joint Governance**

#### **Merger of funds and transfer of plan fund**

**24(1)** The Special Forces Pension Plan Fund and the Special Forces Pension Indexing Fund as provided for by and under Schedule 4 of the former Act are merged and continued on the transition date as the plan fund under this Act and this Schedule.

**(2)** On the transition date, ownership of the plan fund is transferred from the Minister as trustee to the Corporation as trustee.

**(3)** The assets of the plan fund shall continue to be held in trust for members of the Plan and others entitled to benefits under the Plan, and shall be used only for providing benefits pursuant to the Plan and for paying plan costs.

#### **Administration of Plan**

**25(1)** On the transition date, the Corporation becomes the administrator of the Plan.

**(2)** As of the transition date, the Minister and the Crown have no responsibilities, functions, obligations, duties or liabilities in relation to administration of the Plan.

#### **Participating members and employers**

**26(1)** As of the transition date, members participating in the Plan immediately prior to the transition date continue as members of the Plan.

**(2)** As of the transition date, employers participating in the Plan immediately prior to the transition date continue to be participating employers of the Plan.

**(3)** As of the transition date, participating employers of the Plan are bound by the terms of the plan documents, within the meaning of the EPPA, of the Plan.

#### **Withdrawal of employers**

**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.

**Successor employers**

**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
  - (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 8 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.

**Pension plan provisions**

**29** The rights, obligations and entitlements under the Plan as of the transition date are those set out in the plan text document described in section 32.

**Transfer of plan records**

**30(1)** In this section, "record" means a record of information in any form relating to the administration of the Plan or the investment of the plan fund that is in the custody or control of



- (a) the Minister, as administrator and trustee of the Plan under the former Act, and
- (b) the Pension Board, in the Pension Board's capacity under the former Act,

but excludes any record of information or part of any record of information to the extent that the record or part of the record was held or created primarily for purposes other than the administration of the Plan or the investment of the plan fund.

**(2)** All records are transferred, on the transition date, from the control of the Minister and the Pension Board, as applicable, to the control of the Corporation.

**(3)** To the extent a record contains personal information, each of the Minister and the Pension Board are authorized to disclose the information to the Corporation, and the Corporation is authorized to collect, use and disclose the information for the purpose of administering the Plan.

**(4)** The Minister may retain a copy of any record for archival or legal purposes.

#### **Part 4 Registration under the Employment Pension Plans Act**

##### **Deemed registration of Plan**

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

- (2)** For the purposes of subsection (1),
  - (a) the Corporation is the administrator of the Plan under the EPPA,
  - (b) the Plan is a jointly sponsored plan under the EPPA, and
  - (c) the Plan is not a publicly funded plan under the EPPA.
- (3)** For greater certainty,
  - (a) the Corporation is the fundholder for the Plan under the EPPA,

- (b) the Superintendent is the regulator of the Plan under the EPPA,
- (c) the Plan is a non-collectively bargained multi-employer plan under the EPPA, and
- (d) the employers participating in the Plan on the transition date are the participating employers under 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.

**(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.

**Plan text document**

**32(1)** On the transition date, the plan text document, as contemplated under the EPPA, consists of plan text that has been

- (a) approved by the Sponsor Board, and
- (b) confirmed in writing by the Superintendent to be in compliance with the requirements, subject to this Act and this Schedule, of the EPPA.

**(2)** If a plan text document, as contemplated under the EPPA, has not been approved or confirmed pursuant to subsection (1), the record that sets out the rights, obligations and entitlements under the Plan on the transition date is comprised of

- (a) sections 5(1) and 8 of Schedule 4 of the former Act,
- (b) all of the provisions of the *Special Forces Pension Plan Regulation* (AR 369/93), and
- (c) section 12 of the *Public Sector Pension Plans (Legislative Provisions) Regulation* (AR 365/93), and section 4.1 of Schedule 4 of that regulation,

as these provisions read immediately prior to the transition date and notwithstanding any subsequent legislative repeal of these provisions.

**(3)** The record referred to in subsection (2), until replaced or amended by the Sponsor Board in accordance with this Act and this Schedule and the EPPA,

- (a) is deemed to be the plan text document for the Plan as required under the EPPA notwithstanding any conflict with the requirements under the EPPA, and
- (b) applies and shall be read with all modifications as are necessary to give effect to the record having regard to the continuation of the Plan in accordance with, and as amended by, the provisions of this Schedule.

**(4)** For greater certainty, and without limiting the scope of subsection (3), the following references in the record referred to in subsection (2) shall be read as follows:

- (a) all references to the former Act, the *Public Sector Pension Plans (Legislative Provisions) Regulation* (AR 365/93) and the *Special Forces Pension Plan Regulation* (AR 369/93), or any part of that Act or those regulations, shall be read as references to the applicable provisions of that Act or those regulations as they read immediately

prior to the transition date and notwithstanding any subsequent legislative repeal of any of those provisions;

- (b) all references to the “plan rules” shall be read as references to the provisions of the *Special Forces Pension Plan Regulation* (AR 369/93) as they read immediately prior to the transition date and notwithstanding any subsequent legislative repeal of any of those provisions;
- (c) in section 12(2) of the *Public Sector Pension Plans (Legislative Provisions) Regulation* (AR 365/93) the reference to “, the Minister, the Minister of Finance and the Crown” shall be read as a reference to “and the Corporation”;
- (d) in section 17(1) of the *Special Forces Pension Plan Regulation* (AR 369/93),
  - (i) the reference to “employer or the Crown” shall be read as a reference to “employer”, and
  - (ii) the reference to “employer or the Crown, as the case may be” shall be read as a reference to “employer”;
- (e) subject to clause (c), all references to the “Minister”, “Minister of Finance” or “President of Treasury Board and Minister of Finance” shall be read as references to the “Corporation”, unless the reference is in respect of the determination of who may be a participating employer under the Plan, in which case the reference shall be read as a reference to the “Sponsor Board”;
- (f) all references to the “Board” shall be read as references to the “Sponsor Board”, except in section 5(1) of Schedule 4 of the former Act in which case the reference shall be read as a reference to the “Corporation”;
- (g) all references to the general policy guidelines set for the purposes of section 3(2)(c) of Schedule 4 of the former Act shall be read as references to the general policy guidelines with respect to the administration of the Plan as set by the Corporation, if any.

**(5)** On the transition date, if the plan text document contemplated by the EPPA is deemed to be the record referred to in subsection (2) in accordance with subsection (3), the Sponsor Board shall

replace that record with a plan text document as contemplated by the EPPA within 2 years from the transition date.

(6) The Superintendent may extend the time limit in subsection (5) on the application of the Sponsor Board.

**Continuation of decisions and filings**

**33(1)** All decisions and determinations made by the Minister as the administrator and trustee of the Plan prior to the transition date are binding on, and carry forward to, the Corporation as administrator and trustee of the Plan as of the transition date.

(2) All decisions and determinations made by the Pension Board in its capacity under the former Act prior to the transition date are binding on, and carry forward to, the Corporation and the Sponsor Board in their respective capacities as of the transition date.

(3) All documents filed with the Minister as the administrator and trustee of the Plan prior to the transition date shall be transferred to, and are deemed to have been filed with, the Corporation as administrator and trustee of the Plan as of the transition date.

(4) Subsections (1) and (2) do not preclude the reconsideration of any prior decisions or determinations after the transition date.

**Part 5  
General Matters**

**Corporate and Plan costs**

**34(1)** Subject to subsections (2) and (3), the costs, charges and expenses incurred in the carrying out of the roles and responsibilities of the Sponsor Board and the Corporation under this Schedule shall be

- (a) paid by the Corporation, and
- (b) charged by the Corporation to the plan fund.

(2) Subject to subsection (3), the costs, charges and expenses that may be charged to the plan fund are subject to

- (a) any rules made by the Sponsor Board under section 7(2)(b), and
- (b) any applicable provisions of plan text.

**(3)** The costs, charges and expenses that may be charged to the plan fund

- (a) must be charged on a cost-recovery basis, and
- (b) include all amounts reasonably expended in the carrying out of all roles, responsibilities, duties, functions and obligations of any kind imposed on the Sponsor Board or the Corporation by or under this Act and this Schedule or by or under the EPPA.

**Immunity**

**35(1)** In this section, “pension plan” means the Plan under Schedule 4 of the former Act as it read immediately prior to the transition date.

**(2)** The Corporation assumes

- (a) all rights, liabilities and obligations of the Minister, and
- (b) all actions and proceedings commenced by or against the Minister

in the Minister’s prior capacity as administrator and trustee of the pension plan.

**(3)** No liability attaches to the Crown or the Minister or to any employee of the Crown, and no actions or proceedings may be commenced or continued against any of them, in respect of

- (a) the Minister’s acts or omissions while acting in the Minister’s prior capacity as administrator and trustee of the pension plan, excepting only wilful misconduct involving misappropriation of trust funds by the Minister or any employee of the Crown, or
- (b) the coming into force or implementation of this Act and this Schedule.

**(4)** For greater certainty, subsection (3) does not apply to any cause of action or proceeding against any corporation that has provided pension administration services or investment management services to or on behalf of the Crown or the Minister.

**Review of prior administrative decisions**

**36(1)** In this section, “administrative decision” means a decision made by Alberta Pensions Services Corporation prior to the

transition date in respect of an individual and the individual's rights, obligations or entitlements under the Plan.

**(2)** As of the transition date, all unresolved requests to the Pension Board for a review of an administrative decision shall be considered and concluded by the Corporation as follows:

- (a) the Corporation shall, in substance and to the extent practicable, adopt and follow the prior practices and procedures of the Pension Board in considering the request;
- (b) all prior submissions in respect of the request shall be considered by the Corporation;
- (c) the Corporation shall render a decision in respect of the request within a reasonable period of time after all submissions have been made.

**(3)** The Corporation may delegate its responsibilities and obligations under subsection (2) to a committee established by the board of directors.

**(4)** No liability attaches to the members of the Pension Board or the Corporation in respect of

- (a) the change in the decision maker provided for in subsection (2),
- (b) any consequential need to repeat or make duplicate submissions,
- (c) any reasonable deviations from the prior practices and procedures of the Pension Board, or
- (d) any reasonable delay in considering the request to review an administrative decision arising due to the change in decision maker.

**Agreements for the reciprocal transfer or portability of pension benefits**

**37(1)** In this section, "transfer agreement" means an agreement or arrangement for the reciprocal transfer or portability of pension benefits made prior to the transition date between the Plan and another pension plan.

**(2)** With respect to each transfer agreement,

- (a) the rights, liabilities and obligations of the Minister under the transfer agreement shall, as of the transition date, become the rights, liabilities and obligations of the Corporation,
- (b) the Corporation is deemed to be a party to the transfer agreement,
- (c) the Minister has no further rights, liabilities or obligations under the transfer agreement as of the transition date,
- (d) any transfers of pension benefits in progress on the transition date continue and shall be processed as if there were no change of administrator, and
- (e) the transfer agreement expires 2 years after the transition date unless otherwise extended by the parties to the transfer agreement.

**Survival of unfunded liabilities for pre-1992  
recognized service and additional contributions**

**38(1)** Notwithstanding the repeal of Schedule 4 of the former Act, sections 9 and 9.1 of that Schedule continue to apply with respect to the Plan, and shall be read with all necessary modifications to give effect to those sections having regard to the continuation of the Plan in accordance with, and as amended by, this Schedule.

**(2)** For greater certainty, and without limiting the application of subsection (1), the following references in section 9 of Schedule 4 of the former Act shall be interpreted as follows:

- (a) references to “employer” in subsection (5) shall be read as references to “participating employer” of the Plan;
- (b) references to “participant” in subsection (5) shall be read as references to “member” of the Plan;
- (c) references to the “Minister” and “Board” shall be read as references to the “Corporation”, except in subsection (12) in which case the reference to “, when so requested by the Minister,” shall be read as if that reference were struck out;
- (d) the reference to “President of Treasury Board and Minister of Finance” in subsection (13) shall be read as a reference to the “Minister responsible for the *Financial Administration Act*”.



**Collection and disclosure of employment information**

**39(1)** In this section, “employment information” means personal information of a member of the Plan and the member’s pension partner and beneficiaries that is required to administer the rights, obligations and entitlements of that member under the Plan.

**(2)** The Corporation and its pension administration service provider are authorized to

- (a) collect employment information, whether directly or indirectly,
- (b) use that information in relation to the administration of the Plan, and
- (c) disclose that information
  - (i) to each other,
  - (ii) to the member to whom the information relates, and
  - (iii) to the participating employer of the member to the extent that the information relates to employment with that participating employer.

**(3)** Participating employers are authorized to collect employment information from, and to disclose it to,

- (a) the member to whom the information relates, and
- (b) the Corporation and its pension administration service provider.

**Disclosure of information on website**

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

- (a) the location of the Corporation’s principal office;
- (b) a listing of the current board of directors, including the names of the sponsor organizations that appointed the directors;
- (c) a listing of the current members of the Sponsor Board, including the names of the sponsor organizations that appointed the members;

- (d) any rules made by the Sponsor Board under section 7 or 8;
- (e) the current bylaws of the Corporation;
- (f) the most recent annual report, including audited financial statements, of the Corporation and the Plan, and the annual reports for the previous 5 years;
- (g) plan text and any amendments to plan text;
- (h) compensation paid to directors and officers of the Corporation and amounts expended by the Corporation for reimbursement of expenses incurred by directors and officers of the Corporation;
- (i) amounts expended at the request of the Sponsor Board, including reimbursement of expenses incurred by members of the Sponsor Board;
- (j) any other information required by the Sponsor Board to be disclosed.

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

- (a) “compensation” has the same meaning as under the *Public Sector Compensation Transparency Act*, and
- (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 Corporation.

**Method of giving notice**

**41(1)** Any notice to be given under this Schedule to the Sponsor Board or the Corporation, and any service of documents to the Sponsor Board or the Corporation under any other enactment, is sufficiently given if it is delivered by any means to the Corporation’s principal office.

**(2)** If, following the establishment of the Corporation under section 10, the Corporation has not formally established a principal office, the principal office of the employees of Alberta Pensions Services Corporation who have been assigned to supporting the Pension Board under the former Act is deemed for the time being to be the principal office of the Corporation.



## Schedule 4

### Consequential Amendments

#### Amends RSA 2000 cC-23

**1(1) The *Conflicts of Interest Act* is amended by this section.**

**(2) Part 3 of the Schedule is amended by striking out the following:**

Local Authorities Pension Plan Board of Trustees  
Public Service Pension Board  
Special Forces Pension Board  
Universities Academic Pension Board

#### Amends SA 2012 cE-8.1

**2(1) The *Employment Pension Plans Act* is amended by this section.**

**(2) Section 32(1) is amended by adding “, other than a regulation under this Act,” after “other enactment”.**

#### Amends RSA 2000 cF-12

**3(1) The *Financial Administration Act* is amended by this section.**

**(2) Section 10(3)(a), (b), (c), (d), (g) and (h) are repealed.**

## Explanatory Notes

### Consequential Amendments

**1(1)** Amends chapter C-23 of the Revised Statutes of Alberta 2000.

(2) Removal of references to various entities from Schedule.

**2(1)** Amends chapter E-8.1 of the Statutes of Alberta, 2012.

(2) Section 32(1) presently reads:

*32(1) If a member's termination of active membership in a pension plan occurs while the member is employed in Alberta in employment other than federally regulated employment, there immediately vests in the member, despite any other enactment or any provision of the plan documents, an entitlement to receive a pension in respect of the entire period during which he or she was an active member of the plan, whether or not the member was employed in Alberta during all of that period.*

**3(1)** Amends chapter F-12 of the Revised Statutes of Alberta 2000.

(2) Section 10(3) presently reads in part:

*(3) The Crown's obligations in respect of the following pension plans shall be included in the financial records of the Crown in accordance with generally accepted accounting principles:*

*(a) Local Authorities Pension Plan;*

*(b) Public Service Pension Plan;*

*(c) Universities Academic Pension Plan;*

**Amends RSA 2000 cl-8**

**4(1) The *Interpretation Act* is amended by this section.**

**(2) Section 29 is amended**

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

(a) “Local Authorities Pension Plan” means the Local Authorities Pension Plan under Schedule 1 to the *Joint Governance of Public Sector Pension Plans Act*;

**(b) by repealing clauses (d) and (e) and substituting the following:**

(d) “Public Service Pension Plan” means the Public Service Pension Plan under Schedule 2 to the *Joint Governance of Public Sector Pension Plans Act*;

(e) “Special Forces Pension Plan” means the Special Forces Pension Plan under Schedule 3 to the *Joint Governance of Public Sector Pension Plans Act*;

**(c) by repealing clause (g) and substituting the following:**

(g) “Universities Academic Pension Plan” means the Universities Academic Pension Plan registered under the *Employment Pension Plans Act*.

**Amends RSA 2000 cP-41**

**5(1) The *Public Sector Pension Plans Act* is amended by this section.**

**(2) Section 1(a), (b), (c) and (d) are repealed.**

- (d) *Special Forces Pension Plan;*
- (g) *Members of the Legislative Assembly Pension Plan;*
- (h) *the Teachers' Pension Plans.*

**4(1)** Amends chapter I-8 of the Revised Statutes of Alberta 2000.

(2) Section 29 presently reads in part:

*29 In an enactment,*

- (a) *“Local Authorities Pension Plan” means the Local Authorities Pension Plan contained partly in Schedule 1 to the Public Sector Pension Plans Act and partly in the plan rules made under section 4 of that Schedule;*
- (d) *“Public Service Pension Plan” means the Public Service Pension Plan contained partly in Schedule 2 to the Public Sector Pension Plans Act and partly in the plan rules made under section 4 of that Schedule;*
- (e) *“Special Forces Pension Plan” means the Special Forces Pension Plan contained partly in Schedule 4 to the Public Sector Pension Plans Act and partly in the plan rules made under section 4 of that Schedule;*
- (g) *“Universities Academic Pension Plan” means the Universities Academic Pension Plan contained partly in Schedule 3 to the Public Sector Pension Plans Act and partly in the plan rules made under section 4 of that Schedule.*

**5(1)** Amends chapter P-41 of the Revised Statutes of Alberta 2000.

(2) Section 1(a), (b), (c) and (d) presently read:

*1 Apart from sections 1 to 9.2, this Act is divided into*

- (a) *Schedule 1, containing part of the Local Authorities Pension Plan and other provisions relating to that pension plan,*

**(3) Section 5 is amended by adding the following after subsection (1):**

**(1.1)** Despite subsection (1), the Minister may include in plan costs charged to the Local Authorities Pension Plan, the Public Service Pension Plan or the Special Forces Pension Plan, and pay or reimburse from the applicable plan fund, costs and expenses incurred on or after September 1, 2018 and before March 1, 2019 in implementing joint governance for those plans through transitioning those plans under the *Joint Governance of Public Sector Pension Plans Act*, to the extent that such costs and expenses, in the opinion of the Minister,

- (a) relate directly to such implementation or transition,
- (b) were reasonably incurred,
- (c) were in respect of services provided during that period,
- (d) are reasonable in amount, and
- (e) where applicable, have been appropriately allocated among the pension plans.

**(1.2)** The Minister may not include in plan costs charged under subsection (1.1) costs and expenses that, in the opinion of the Minister, are in respect of advocacy or negotiation.

**(1.3)** For greater certainty, costs incurred in furtherance of the following matters relate to implementation or transition and not to advocacy or negotiation:

- (a) development of a plan text document for the purposes of the *Employment Pension Plans Act*;



- (b) *Schedule 2, containing part of the Public Service Pension Plan and other provisions relating to that pension plan,*
  - (c) *Schedule 3, containing part of the Universities Academic Pension Plan (which Plan has had its assets and liabilities transferred to a pension plan regulated under the Employment Pension Plans Act and is about to be terminated formally) and other provisions relating to that pension plan,*
  - (d) *Schedule 4, containing part of the Special Forces Pension Plan and other provisions relating to that pension plan,*
- (3) Section 5 presently reads in part:

*5(1) The Minister, after consulting with the relevant Board, shall establish the charge for the administration of each Plan with respect to each fiscal year, and the amount so charged is that Plan's plan costs for that year.*

- (b) development of one or more service agreements to be entered into by a corporation established by the *Joint Governance of Public Sector Pension Plans Act* with Alberta Pensions Services Corporation;
- (c) development of an investment management agreement to be entered into by a corporation established by the *Joint Governance of Public Sector Pension Plans Act* with Alberta Investment Management Corporation;
- (d) operationalization of corporations established by the *Joint Governance of Public Sector Pension Plans Act*.

**(4) Section 7 is repealed.**

**(5) The following is added after section 8:**

**Survival of unfunded liabilities for pre-1992 recognized service and additional contributions in respect of UAPP**

**8.1(1)** In this section,

- (a) “former plan” means the Plan previously referred to in Schedule 3;
- (b) “current plan” means the Universities Academic Pension Plan registered under the *Employment Pension Plans Act*.

**(2)** Notwithstanding the repeal of Schedule 3,

- (a) sections 9 and 9.1 of that Schedule continue to apply with respect to the current plan and shall be read with all necessary modifications to give effect to those sections having regard to the continuation of the former plan under the *Employment Pension Plans Act*, and
- (b) in respect of the withdrawal of any or all employers under the current plan to another plan or plans established by the withdrawing employers to which the *Employment Pension Plans Act* applies, the obligation of the Crown under section 14(7)(a) of that Schedule shall continue to apply subject to
  - (i) the conditions set out in that section, and

(4) Section 7 presently reads:

*7 Regulations under section 12 of Schedules 1 to 5 may be made generally to apply to all or to several of the pension plans referred to in section 1(a) to (e).*

(5) Survival of unfunded liabilities for pre-1992 recognized service and additional contributions.

- (ii) the plan or plans established by the withdrawing employers containing provisions equivalent to sections 9 and 9.1 of that Schedule as contemplated under sections 14(8)(b) and 15(5)(c) of that Schedule, as applicable,

and sections 14(7)(a) and (8)(b) and 15(5)(c) of that Schedule, together with all other references to other sections of that Schedule in those sections, shall be read with all necessary modifications to give effect to the sections having regard to the continuation of the former plan under the *Employment Pension Plans Act*.

**(3)** For greater certainty, and without limiting the application of subsection (2), the following references in sections 9 and 14(7)(a) and (8)(b) of Schedule 3 shall be interpreted as follows:

- (a) references to the “Minister” and “Board” shall be read as references to the “Administrator” under the current plan, except in section 9(12), in which the reference to “, when so requested by the Minister,” shall be read as if that reference were struck out;
- (b) the reference to “Provincial Treasurer” in section 9(13) shall be read as a reference to the “Minister responsible for the *Financial Administration Act*”;
- (c) references to “employer” or “employers” shall be read as references to “participating employer” or “participating employers”, as the case may be, of the current plan;
- (d) references to “participants” shall be read as references to “members” of the current plan.

**(6) Section 9.2(1)(b) is repealed and the following is substituted:**

- (b) “employment information” means, with respect to a particular Plan, personal information within the meaning of the *Freedom of Information and Protection of Privacy Act* of participants and former participants, and their pension partners and beneficiaries, that is required to administer the rights, obligations and entitlements of the participants and former participants under the Plan, but, as regards the collection by or the disclosure to an employer

(6) Section 9.2(1)(b) presently reads:

- (b) *“employment information” means, with respect to a particular Plan, personal information within the meaning of the Freedom of Information and Protection of Privacy Act that*
  - (i) *relates to pensions and other benefits and to participants’ and former participants’ employment, and*
  - (ii) *has a reasonable and direct connection to the administration of pensions and other benefits*

of any such information, is restricted to information about participants and former participants who are or were employed by that particular employer and related benefits;

**(7) Schedules 1, 2, 3 and 4 are repealed.**

**Amends SA 2016 cR-8.5**

**6(1) *The Reform of Agencies, Boards and Commissions Compensation Act* is amended by this section.**

**(2) The Schedule is amended by striking out “Alberta Local Authorities Pension Plan Corporation”.**

*but, as regards the collection by or the disclosure to an employer of any such information, is restricted to information about participants and former participants who are or were employed by that particular employer and related benefits;*

(7) Repeal of Schedule 1, containing part of the Local Authorities Pension Plan and other provisions relating to that pension plan; Schedule 2, containing part of the Public Service Pension Plan and other provisions relating to that pension plan; Schedule 3, containing part of the Universities Academic Pension Plan and other provisions related to that pension plan and Schedule 4, containing part of the Special Forces Pension Plan and other provisions relating to that pension plan.

**6(1)** Amends chapter R-8.5 of the Statutes of Alberta, 2016.

(2) Removal of reference to Alberta Local Authorities Pension Plan Corporation from the Schedule.

**RECORD OF DEBATE**

Stage	Date	Member	From	To

Questions and Comments	From	To

Stage	Date	Member	From	To

Questions and Comments	From	To

Stage	Date	Member	From	To

Questions and Comments	From	To

Stage	Date	Member	From	To

Questions and Comments	From	To