

# 1986

## CHAPTER S-32.2

### An Act respecting The Saskatchewan Pension Plan and Providing for the Payment of a Minimum Monthly Pension

(Assented to July 3, 1986)

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

- 1** This Act may be cited as *The Saskatchewan Pension Plan Act*. Short title
- 2(1)** In this Act: Interpretation
- (a) “board” means the Saskatchewan Pension Plan Board of Trustees appointed pursuant to section 4; “board”
- (b) “*Canada Pension Plan*” means the *Canada Pension Plan* as amended from time to time; “*Canada Pension Plan*”
- (c) “fund” means the Saskatchewan Pension Plan Fund established pursuant to section 7; “fund”
- (d) “guaranteed minimum monthly amount” means the minimum amount guaranteed in section 14 and calculated pursuant to subsection 14(3); “guaranteed minimum monthly amount”
- (e) “life annuity” means an annuity that continues for the duration of the life of the annuitant, whether or not it is thereafter continued to some other person; “life annuity”
- (f) “matchable contribution” means an amount calculated in accordance with subsection 9(1); “matchable contribution”
- (g) “minister” means the member of the Executive Council to whom for the time being the administration of this Act is assigned; “minister”
- (h) “normal form of pension” means an annuity under which payments are made during the lifetime of the annuitant and terminate on his death; “normal form of pension”
- (i) “participant” means a person who contributes to the fund pursuant to section 9; “participant”
- (j) “pension benefit” means the moneys pursuant to this Act which a participant is entitled to receive on retirement “pension benefit”

or to which any other person is entitled by virtue of the participant's death after retirement;

"plan"

(k) "plan" means the Saskatchewan Pension Plan established by section 3;

"Quebec Pension Plan"

(l) "*Quebec Pension Plan*" means the *Quebec Pension Plan* as amended from time to time;

"resident"

(m) "resident" means an individual who resides in Saskatchewan and holds a valid Saskatchewan Hospital Services Card issued pursuant to *The Saskatchewan Hospitalization Act*.

(2) Where, in sections 9, 10 and 14, reference is made to the amount of "\$300" or "300", the Lieutenant Governor in Council may, by regulation, prescribe any other amount for the purposes of those sections.

Plan established

**3(1)** The Saskatchewan Pension Plan is established.

(2) The costs of establishing the plan shall be paid for by the Minister of Finance.

Board established

**4(1)** The Saskatchewan Pension Plan Board of Trustees is established consisting of not less than three members appointed by the Lieutenant Governor in Council.

(2) At least one-third of the members appointed pursuant to subsection (1) shall be participants in the plan, and each such member shall have contributed to the fund with respect to the year in which, or the year previous to the year in which, he was appointed.

(3) The Lieutenant Governor in Council shall designate a member of the board to be the chairman.

(4) In the event of the absence or disability of the chairman to act or a vacancy in the office of chairman, the members of the board may designate another member of the board to act as chairman.

(5) Subject to any regulations, the board may determine the procedures for carrying out its functions and duties.

Duties of board

**5(1)** The board shall administer the plan and act as trustee of the fund.

(2) The board may:

(a) employ staff;

(b) acquire any services or accommodations; and

(c) enter into any agreement;

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necessary for the administration of the plan or the fund.

(3) Employees of the board are subject to *The Public Service Act* and *The Superannuation (Supplementary Provisions) Act*.

**6** If any question arises as to the application, interpretation or intent of a provision of the plan or the regulations, the board shall decide the question and its decision is final.

Questions  
determined by  
board

**7(1)** The Saskatchewan Pension Plan Fund is established.

Fund

(2) The board shall administer the fund.

(3) The fund consists of:

- (a) moneys paid into the fund by participants;
- (b) moneys paid into the fund by the Minister of Finance; and
- (c) interest earned on those moneys and any other revenue accruing from the investment of moneys in the fund.

(4) Subject to subsection 3(2), the costs of administration of the plan and the fund are a charge on and shall be paid from the fund.

**8(1)** Subject to subsection (2), a person who, on December 31 of a year, is a resident and at least 18 years of age is eligible to participate in the plan and may contribute to the fund in accordance with this Act with respect to that full year.

Eligibility to  
contribute

(2) No person:

- (a) in the years after the year in which he turns 65;
- (b) who is in receipt of pension benefits;
- (c) who, except in the year in which he turns 65, is in receipt of a retirement pension pursuant to the *Canada Pension Plan*; or
- (d) who is in receipt of a retirement pension pursuant to the *Quebec Pension Plan*;

is eligible to contribute to the fund.

(3) A person who is eligible to contribute to the fund may become a participant by submitting an application in the form specified by the board together with a contribution to the fund.

(4) The minister may authorize a bank, credit union as defined in *The Credit Union Act, 1985*, trust corporation licensed pursuant to *The Trust and Loan Corporations Act* or any other financial institution to charge a fee or commission,

not exceeding an amount which he may specify, to a participant for providing services related to subsection (3).

Contributions  
of a  
participant

**9(1)** The matchable contribution of a participant for a year is the difference between:

- (a) the maximum employee's contribution pursuant to the *Canada Pension Plan* or *Quebec Pension Plan* for pensionable employment earnings for that year; and
- (b) the sum of:
  - (i) the amount actually contributed in accordance with the *Canada Pension Plan* or the *Quebec Pension Plan* by the participant in that year with respect to the employee's contribution for pensionable employment earnings and one-half the amount, if any, contributed in accordance with that Act by the participant in that year in respect of self-employed earnings; and
  - (ii) the product of:
    - (A) the total amount of income, in excess of \$1,000 or any greater amount that may be prescribed in the regulations, received by the participant with respect to that year from interest, dividends, net capital gains, net rents from property and any other sources specified in the regulations; and
    - (B) .018 or any other amount specified in the regulations for the purposes of this paragraph;

to a maximum of \$300.

(2) A person who is eligible to participate in the plan may, with respect to a year, contribute to the fund:

- (a) an amount less than or equal to his matchable contribution; and
- (b) an amount in addition to his matchable contribution, if any;

but the total contributions made pursuant to this section and section 10 shall not exceed the maximum amount mentioned in section 11.

(3) Contributions made within 60 days of the end of the previous year are deemed to have been made in the previous year, unless, at the time the contributions are made, the participant elects in writing to have the contributions apply for the year in which they are made.

Contributions  
by government

**10(1)** Subject to subsections (2) and (3), the Minister of Finance shall, within 120 days of the end of each year,

contribute to the fund to the credit of a participant who was a resident on December 31 of that year an amount equal to:

- (a) the amount contributed by the participant; or
- (b) the amount of the matchable contribution of the participant;

with respect to that year, whichever is less, to a maximum of \$300 plus accrued interest.

(2) If a participant elects to retire pursuant to section 13, the Minister of Finance shall, within 30 days of the date the participant makes that election, contribute to the fund to the credit of the participant the amount of the government's contribution, if any, pursuant to subsection (1).

(3) In the case of the year in which a participant attains the age of 18 years, the contribution by the Minister of Finance pursuant to subsection (1) shall be prorated on the number of months in that year following the month in which the participant's birthday falls.

**11** The aggregate of all contributions to the fund by or on behalf of a participant with respect to a year shall not exceed the amount of \$600 or any other amount that may be specified in the regulations.

Maximum  
contributions

**12(1)** Subject to subsection (2), subsection 13(3), section 14, section 16 and any regulation made pursuant to clause 21(1)(m), all contributions made by or on behalf of a participant pursuant to sections 9 and 10, together with the accumulated interest on those contributions, are permanently vested and shall be used for the sole purpose of providing a life annuity to the participant pursuant to section 13.

Contributions  
permanently  
vested

(2) The Lieutenant Governor in Council may, by order, authorize the Minister of Finance to enter into agreements with any body that administers a pension plan to provide for the transfer of the moneys in the fund standing to the credit of the participant to any other pension plan on any terms and conditions that may be specified.

**13(1)** Subject to subsection (3), a participant may, at any time after the day on which he attains the age of 55 years, elect to retire and is, on retirement, entitled to receive an immediate life annuity to be provided by the amount then standing to his credit in the fund.

Retirement

(2) Subject to subsection (3), a participant who does not make an election pursuant to subsection (1) prior to the day on which

he attains the age of 70 years shall receive a life annuity commencing on the first day of the month following the month in which he attains the age of 70 years and is deemed to have retired at his election.

(3) If, on retirement, the amount in the fund standing to the credit of a participant is less than the amount prescribed in the regulations for the purposes of this subsection, his pension benefits shall be paid to him on an annual basis or any other periodic basis that may be specified in the regulations.

(4) The board may provide life annuities required for the purposes of this Act, or may, in its discretion, purchase a life annuity on behalf of a participant.

Guaranteed  
minimum  
monthly  
amount

**14(1)** If a participant makes or, pursuant to subsection 9(3), is deemed to have made a matchable contribution before January 1, 1996 and at any time elects to retire pursuant to section 13, he is entitled to receive a life annuity pursuant to that section, and an additional amount from the board which would, when added to the amount that would be payable if he had elected to take a normal form of pension, provide him with the guaranteed minimum monthly amount.

(2) The additional amount mentioned in subsection (1) is payable for as long as the annuity pursuant to section 13 is payable.

(3) The guaranteed minimum monthly amount is the product of:

(a) the quotient of:

(i) the total contributions made on behalf of the participant by the Minister of Finance in respect of time before January 1, 1996; and

(ii) 300; and

(b) the factor determined by linear interpolation from Table 1 corresponding to the age of the participant, to the nearest complete month, when the election to retire is effective.

(4) The additional amount to be paid by the board pursuant to subsection (1) shall, on the requisition of the board, be paid by the Minister of Finance into the fund.

Adjustments

**15** Where a participant elects to retire and is provided with a type of life annuity that provides for payments on a basis other than the normal form of pension, his pension benefits shall be adjusted in the manner prescribed in the regulations.

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**16** If a participant dies prior to becoming entitled to receive any pension benefits, the total amount of all contributions made to the fund by or on behalf of that participant, together with the accrued interest on that amount, shall be refunded to his designated beneficiary, and in the absence of a designated beneficiary, to his personal representative.

Death of participant

**17(1)** The board may from time to time invest any part of the moneys standing to the credit of the fund in any of the following classes of securities:

Investments

(a) securities authorized for investment in *The Pension Benefits Regulations* ;

(b) any other securities authorized for investment of moneys in the consolidated fund pursuant to *The Department of Finance Act, 1983* ;

(c) bonds, debentures, notes or other evidences of indebtedness issued by a corporation created pursuant to *The Crown Corporations Act, 1978* or a corporation that is established by an Act and that is an agent of the Crown or responsible to the Legislature.

(2) The board may dispose of any securities in which any part of the fund has been invested under subsection (1) in any manner and on any terms that the board considers expedient.

(3) The board shall include with the report made by it pursuant to section 20 a statement of all securities in which moneys of the fund have been invested pursuant to this section, a statement of the securities that have been so acquired during the immediately preceding year and a statement of all dispositions of such securities made during that period.

**18** The board shall provide information and annual statements to participants as prescribed in the regulations.

Information and statements

**19(1)** Subject to an order or an interspousal contract pursuant to *The Matrimonial Property Act* and to subsection (2), no moneys payable pursuant to this Act shall be assigned, charged, attached, anticipated or given as security and are exempt from execution and seizure, and any transaction purporting to assign, charge, attach, anticipate or give as security any such moneys is void.

Benefits not assignable

(2) Pension benefits, as they become payable, are subject to garnishment pursuant to *The Enforcement of Maintenance Orders Act* for the purposes of enforcing a maintenance order.

Fiscal year;  
tabling of  
documents

**20**(1) The fiscal year of the board is the period commencing on April 1 in one year and ending on March 31 in the next year, both dates inclusive.

(2) The board shall, in each fiscal year, in accordance with *The Tabling of Documents Act*, submit to the minister:

(a) a report of the board on its business for the immediately preceding fiscal year; and

(b) a financial statement showing the business of the board for that year, in any form that may be required by Treasury Board.

(3) The minister shall, in accordance with *The Tabling of Documents Act*, lay before the Legislative Assembly each report and statement received by him under subsection (2).

(4) The report mentioned in subsection (2) is not required to specify the amount of pension benefits granted in each case to a named person.

Regulations

**21**(1) The Lieutenant Governor in Council may make regulations:

(a) defining any word or expression used in this Act but not defined;

(b) prescribing other sources of income for the purposes of paragraph (A) of subclause 9(1)(b)(ii);

(c) establishing a system governing deficits and surpluses with respect to the fund;

(d) prescribing tests and standards for solvency of the fund;

(e) prescribing the types of life annuities which may be purchased;

(f) prescribing the circumstances under which a joint and survivor annuity shall be purchased;

(g) respecting the manner in which an election to retire pursuant to section 13 is to be made;

(h) respecting the methods of computing pension benefit credits and pension benefits, including adjustments pursuant to section 15;

(i) prescribing the manner of payment of annuities;

(j) prescribing the conditions governing beneficiaries and the manner of payment to beneficiaries;

(k) further limiting the assignment of life annuities or other benefits under this Act;

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- (l) governing the method of payment of moneys out of the fund;
  - (m) establishing a system to provide for refunds, debits and credits respecting overcontributions to the fund;
  - (n) prescribing the periodic basis on which pension benefits are paid pursuant to subsection 13(3);
  - (o) prescribing any other matter or thing that is required or authorized by this Act to be prescribed in the regulations.
- (2) A regulation made pursuant to this Act may be made retroactive to a date not earlier than the day this Act comes into force.

**22** This Act or any provision of this Act comes into force on a day or days to be fixed by proclamation of the Lieutenant Governor.

Coming into  
force

Table 1  
(Subsection 14(3))

<i>Age (in years) of participant when election to retire is effective</i>	<i>Factor</i>
65 or more	15
64	14
63	13
62	12
61	11
60	10
59	9
58	8
57	7
56	6
55	5