

HOUSE USE ONLY

CHAIR:

WITH / WITHOUT



3rd SESSION, 63rd GENERAL ASSEMBLY
Province of Prince Edward Island
59 ELIZABETH II, 2010

BILL NO. 37

An Act to Amend the Teachers' Superannuation Act (No. 2)

Honourable Janice A. Sherry
Minister of Community Services, Seniors and Labour

GOVERNMENT BILL

MICHAEL D. FAGAN
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Charlottetown, Prince Edward Island

An Act to Amend the Teachers' Superannuation Act (No. 2)

BE IT ENACTED by the Lieutenant Governor and the Legislative Assembly of the Province of Prince Edward Island as follows:

1. Section 1 of the *Teachers' Superannuation Act* R.S.P.E.I. 1988, Cap. T-1 is amended

(a) by the addition of the following after clause (d):

(d.01) "instructional personnel" means instructional personnel as defined in clause 1(n) of the *School Act* R.S.P.E.I. 1988, Cap. S-2.1; instructional personnel

(b) in clause (d.1),

(i) by the repeal of subclauses (i.1) and (ii) and the substitution of the following:

(i.1) a person who

(A) is an employee of a school board and is designated as a member of its instructional personnel or supervisory personnel under the *School Act*, and

(B) is not a member under the *Civil Service Superannuation Act* R.S.P.E.I. 1988, Cap. C-9,

(ii) a teacher who

(A) is employed by the Department of Education and Early Childhood Development in the supervision of teaching or other service, and

(B) is not a member under the *Civil Service Superannuation Act*,

(ii) in the words following paragraph (C), by the deletion of the words "or temporary";

(c) by the addition of the following after clause (h.1):

(h.2) "supervisory personnel" means supervisory personnel as defined in clause 1(aa) of the *School Act*; supervisory personnel

(d) in clause (i), by the deletion of the words "R.S.P.E.I. 1988, Cap. S-2.1".

2. Section 14 of the Act is amended by the addition of the following after subsection (1.1):

(1.2) Subject to subsection (5) and the maximum contribution limits imposed under the *Income Tax Act* (Canada), the amount of a member's Member's contribution

contribution to the Fund each calendar year, in respect of service credited to the member under this Act on or after January 1, 2011, is

- (a) seven and three-tenths per cent of that part of the member's salary up to the amount of the "Year's Maximum Pensionable Earnings" as defined in the *Canada Pension Plan Act*; and
- (b) nine per cent of that part of the member's salary that exceeds the amount of the "Year's Maximum Pensionable Earnings" as defined in the *Canada Pension Plan Act*.

3. Subsections 20(1) and (2) of the Act are repealed and the following substituted:

Suspension of
pension on re-
employment

20. (1) Where a person receiving a pension under this Act is re-employed in the province and the person becomes a member again during that re-employment, the person ceases to be entitled to the pension and the payment of the pension to the person shall be suspended as of the date the person becomes a member.

Restoration

(2) A person referred to in subsection (1) continues to be disentitled to a pension as long as the person is re-employed in the province and the person is a member again, and on the date the re-employment of the person ends, the person is eligible for

- (a) a pension recalculated taking into account the salary received by the person and the additional pensionable service rendered by the person for which contributions were made during the period of re-employment; or
- (b) a pension at the level formerly paid to the person prior to the date the person was re-employed in the province,

whichever is greater.

4. This Act comes into force on a date that may be fixed by proclamation of the Lieutenant Governor in Council.

EXPLANATORY NOTES

SECTION 1 adds definitions for the terms “instructional personnel” and “supervisory personnel” to coincide with the definitions used in the *School Act*. The provision amends the definition of “member” to include persons employed by a school board as designated supervisory personnel or instructional personnel. These employees are eligible to participate in the Teachers' Superannuation Fund. In addition, the provision removes the reference to ‘temporary’ teachers in the definition of “member” since this reference is not a term that is used or defined in the *School Act*. The provision clarifies that substitute teachers are not authorized to participate as members in the Fund.

SECTION 2 standardizes pension treatment with respect to the contribution formula for members who accrue Canada Pension Plan benefits versus members who have ceased to accrue Canada Pension Plan benefits. The amendment will ensure that, on a go-forward basis, a plan member with an equal pay history will experience similar contribution levels, regardless of the member's Canada Pension Plan status.

SECTION 3 describes how the pension of a person is to be suspended in circumstances involving the re-employment of the person receiving a pension. Where a person is re-employed in the province and the person becomes a member again during that re-employment, the person ceases to be entitled to the pension and the payment of the pension to the person is suspended as of the date the person becomes a member. The provision also describes how a person is eligible for a recalculation of a pension or a pension at the level formerly paid to the person on the date the re-employment of the person ends.

SECTION 4 provides for the commencement of this Act.

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<i>STAGE:</i>	<i>DATE:</i>
<i>1st Reading:</i>	April 13, 2010
<i>2nd Reading:</i>	
<i>To Committee:</i>	
<i>Reported:</i>	
<i>3rd Reading and Pass:</i>	
<i>Assent:</i>	

SIGNATURES:

Honourable Barbara A. Hagerman, Lieutenant Governor

Honourable Kathleen M. Casey, Speaker

Clerk

Honourable Janice A. Sherry
Minister of Community Services, Seniors
and Labour

GOVERNMENT BILL
