



Province of Alberta
Order in Council

O.C. 244 /2018

JUL 09 2018

ORDER IN COUNCIL

Approved and ordered:

Lieutenant Governor
or
Administrator

The Lieutenant Governor in Council makes the Public Sector Pension Plans (LAPP/MEPP Shortened Life Expectancy Unlocking) Amendment Regulation set out in the attached Appendix.

CHAIR

FILED UNDER
THE REGULATIONS ACT
as ALBERTA REGULATION 144/2018
ON July 10 20 18

REGISTRAR OF REGULATIONS

For Information only

Recommended by: President of Treasury Board, Minister of Finance

Authority: Public Sector Pension Plans Act
(Schedule 1, sections 3 and 4) (Schedule 5, sections 3 and 4)

APPENDIX

Public Sector Pension Plans Act

PUBLIC SECTOR PENSION PLANS (LAPP/MEPP SHORTENED LIFE EXPECTANCY UNLOCKING) AMENDMENT REGULATION

Part 1

Local Authorities Pension Plan

1 The *Local Authorities Pension Plan (AR 366/93)* is amended by this Part.

2 Section 2(1)(cc) is amended by adding “, but does not include a series of payments payable under section 33(2.2)(b)” after “Plan”.

3 Section 33 is amended

(a) in subsection (2) by striking out “or” at the end of clause (a), by adding “, or” at the end of clause (a.1) and by adding the following after clause (a.1):

(a.2) where a vested participant or a vested former participant has an illness or disability that is certified by that individual’s physician to be terminal or to be likely to shorten that individual’s life considerably.

(b) by adding the following after subsection (2.1):

(2.2) Subsection (2)(a.2) applies, and applies only,

(a) if the participant or former participant has applied in writing to the Minister to unlock money under that clause, and

(b) to the extent that that individual, after being requested by the Minister to do so, submits to the Minister an election, in the form required by the Minister, to convert to a series of payments for a fixed term or to withdraw as a lump sum all or a portion of the individual’s pension entitlement.

(2.3) The maximum amount that is convertible or withdrawable under subsection (2.2)(b) is the commuted

value of the total pension entitlement, determined as at the date on which the application referred to in subsection (2.2)(a) is received by the Minister and without taking into consideration the individual's shortened life expectancy.

(2.4) Subsection (2)(a.2) applies with respect to a participant or former participant who has a pension partner at the time the application referred to in subsection (2.2)(a) is received by the Minister only if that pension partner has executed a waiver in the form and manner and in accordance with the conditions set out in Form 3.1 of Schedule 1.

(2.5) Where the individual who has submitted an election under subsection (2.2)(b) dies before the unlocked amount has been paid or paid in full, the lump sum amount or the series of payments remaining to be made are to be paid to the deceased's estate.

(2.6) In this section, "physician" means a person who, at the time the application referred to in subsection (2.2)(a) is received by the Minister,

- (a) was a regulated member of the College of Physicians and Surgeons of Alberta and held a practice permit issued under the *Health Professions Act* and was not under suspension, or
- (b) was a physician regulated, registered or certified in that capacity in another jurisdiction in Canada and not under suspension.

4 The following is added after section 33:

**Non-vested partial conversions
and withdrawals**

33.1 Where the circumstances set out in section 33(2)(a.2) apply except that the participant or former participant is not vested, all or a portion of the employee contributions may be converted or withdrawn on the basis and terms described in section 33 (excluding section 33(2.3)).

5 The following is added after section 34.2:

- (a) if the member dies before pension commencement, entitled to receive the amount then held for his or her benefit in the pension plan unless I have previously given up that entitlement under the waiver in Form 4 in the legislation, and
- (b) if the member dies after pension commencement, the beneficiary of a minimum 2/3 joint life pension unless I have previously given up that entitlement under the waiver in Form 1 in the legislation.

I further understand that if I choose to sign this waiver and it is filed with the Minister, I give up my entitlement to all or a portion of the benefit, as described in the preceding paragraph, as required in order to account for the pension entitlement or other benefit already paid to the member.

Nevertheless, I give up my right to receive the benefit otherwise required by the legislation.

This waiver does not affect any rights that I could have arising as a result of any breakdown or potential breakdown in the relationship between the member and myself.

I have chosen to sign this waiver and in so doing I give up any and all of my entitlement to, or the portion mentioned above of, any death benefit payment.

Certification

I certify that

- (a) I have read this waiver and understand it and the potential results of my signing it,
- (b) I have read the member's most recent annual statement or a statement from the Minister showing the balance in his or her account and know the approximate current value of the benefit I am giving up as a result of signing this waiver,
- (c) I am signing this waiver of my own free will,
- (d) the member is not present while I am signing this waiver,
- (e) I have either obtained independent advice about the implications of signing this waiver or I do not wish to obtain such advice,
- (f) I realize that
 - (i) this waiver only gives a general description of the legal rights I have under the legislation, and
 - (ii) if I wish to understand exactly what my legal rights are, I must read the legislation applicable and, if necessary, consult a professional with pension expertise,
- (g) I understand that I have the right to cancel this waiver at any time before the member dies or is paid or commences to be paid the benefit, whichever comes first, by filing with the Minister a properly executed revocation of it, and

- (h) the information that I have given in this waiver is true, to the best of my knowledge, at the time when I have signed and then file this waiver but, if any of that information changes before the member makes an election to be paid all or a portion of his or her pension entitlement or other benefit due to shortened life expectancy, I undertake that I will immediately notify the Minister of that change.

To waive my rights described above, I sign this waiver form.

And I make this solemn declaration conscientiously believing it to be true and knowing that it is of the same force and effect as if made under oath.

DECLARED before me _____)
 at the _____ of _____)
 in _____ this _____) (Signature of
 day of _____, 20 _____) _____ pension partner)

 A Commissioner for Oaths in
 and for the Province/Territory
 of _____

Part 2

Management Employees Pension Plan

7 The Management Employees Pension Plan (AR 367/93) is amended by this Part.

8 Section 2(1)(cc) is amended by adding “, but does not include a series of payments payable under section 33(2.2)(b)” after “Plan”.

9 Section 33 is amended

(a) in subsection (2) by striking out “or” at the end of clause (a.1) and by adding the following after clause (a.1):

(a.2) where a vested participant or a vested former participant has an illness or disability that is certified by that individual’s physician to be terminal or to be likely to shorten that individual’s life considerably,
 or

(b) by adding the following after subsection (2.1):

(2.2) Subsection (2)(a.2) applies, and applies only,

- (a) if the participant or former participant has applied in writing to the Minister to unlock money under that clause, and
- (b) to the extent that that individual, after being requested by the Minister to do so, submits to the Minister an election, in the form required by the Minister, to convert to a series of payments for a fixed term or to withdraw as a lump sum all or a portion of the individual's pension entitlement.

(2.3) The maximum amount that is convertible or withdrawable under subsection (2.2)(b) is the commuted value of the total pension entitlement, determined as at the date on which the application referred to in subsection (2.2)(a) is received by the Minister and without taking into consideration the individual's shortened life expectancy.

(2.4) Subsection (2)(a.2) applies with respect to a participant or former participant who has a pension partner at the time the application referred to in subsection (2.2)(a) is received by the Minister only if that pension partner has executed a waiver in the form and manner and in accordance with the conditions set out in Form 3.1 of Schedule 1.

(2.5) Where the individual who has submitted an election under subsection (2.2)(b) dies before the unlocked amount has been paid or paid in full, the lump sum amount or the series of payments remaining to be made are to be paid to the deceased's estate.

(2.6) In this section, "physician" means a person who, at the time the application referred to in subsection (2.2)(a) is received by the Minister,

- (a) was a regulated member of the College of Physicians and Surgeons of Alberta and held a practice permit issued under the *Health Professions Act* and was not under suspension, or
- (b) was a physician regulated, registered or certified in that capacity in another jurisdiction in Canada and not under suspension.

(2.7) If, with respect to pensionable service before 1992 if applicable, the individual is or, but only for the individual's not having terminated, would be entitled to a benefit only under section 69, the benefit that is convertible or withdrawable under subsection (2)(a.2) with respect to that pensionable service is the employee contributions.

10 The following is added after section 33:

Non-vested partial conversions and withdrawals

33.1 Where the circumstances set out in section 33(2)(a.2) apply except that the participant or former participant is not vested, all or a portion of the employee contributions may be converted or withdrawn on the basis and terms described in section 33 (excluding section 33(2.3)).

11 The following is added after section 34.1:

Reduction based on unlocking for shortened life expectancy

34.3 Any pension entitlement that is to be determined in accordance with Division 1, 2 or 3 following a conversion or withdrawal described in section 33(2.2)(b) is to be calculated initially as though the conversion or withdrawal had never occurred and is then to be reduced by a value that is actuarially equivalent to the amount so converted or withdrawn.

12 The following is added after Form 3 of Schedule 1:

Form 3.1
(Section 33 (2.4) or 33.1)

MANAGEMENT EMPLOYEES PENSION PLAN

Pension Partner Waiver to Permit Access to
Benefits due to Shortened Life Expectancy

Statutory Declaration

CANADA) IN THE MATTER OF A PENSION
FOR PROVINCE) PARTNER WAIVER OF BENEFITS
OF ALBERTA) UNDER THE MANAGEMENT
TO WIT) EMPLOYEES PENSION PLAN

[NOTE: In interpreting this waiver form, "the legislation" is to be taken to mean the provisions of the *Public Sector*

Pension Plans Act and the subordinate legislation under it that applies with respect to the Plan.]

I, (Full Name of “pension partner”) of the (Municipal Status) of (Municipality) in (Province/Territory/State/Country (if other than Canada)) solemnly declare as follows:

I, (name), am a “pension partner” (as described below) of (insert name of participant/former participant) (in this waiver referred to as “the member”) who, at the time of my signing this waiver, is alive. The member earned benefits under the Management Employees Pension Plan. The money respecting those benefits remains in that pension plan.

Being the member’s “pension partner” means that

- (a) I am married to the member and have not been living separate and apart from him or her for 3 or more consecutive years, or
- (b) if paragraph (a) above does not apply to me and there is no other person to whom paragraph (a) applies, I am and have been living with the member in a conjugal relationship for a continuous period of at least 3 years or, if there is a child of our relationship by birth or adoption, of some permanence.

I understand that, as a pension partner of the member, I am,

- (a) if the member dies before pension commencement, entitled to receive the amount then held for his or her benefit in the pension plan unless I have previously given up that entitlement under the waiver in Form 4 in the legislation, and
- (b) if the member dies after pension commencement, the beneficiary of a minimum 2/3 joint life pension unless I have previously given up that entitlement under the waiver in Form 1 in the legislation.

I further understand that if I choose to sign this waiver and it is filed with the Minister, I give up my entitlement to all or a portion of the benefit, as described in the preceding paragraph, as required in order to account for the pension entitlement or other benefit already paid to the member.

Nevertheless, I give up my right to receive the benefit otherwise required by the legislation.

This waiver does not affect any rights that I could have arising as a result of any breakdown or potential breakdown in the relationship between the member and myself.

I have chosen to sign this waiver and in so doing I give up any and all of my entitlement to, or the portion mentioned above of, any death benefit payment.

Certification

I certify that

- (a) I have read this waiver and understand it and the potential results of my signing it,



- (b) I have read the member's most recent annual statement or a statement from the Minister showing the balance in his or her account and know the approximate current value of the benefit I am giving up as a result of signing this waiver,
- (c) I am signing this waiver of my own free will,
- (d) the member is not present while I am signing this waiver,
- (e) I have either obtained independent advice about the implications of signing this waiver or I do not wish to obtain such advice,
- (f) I realize that
 - (i) this waiver only gives a general description of the legal rights I have under the legislation, and
 - (ii) if I wish to understand exactly what my legal rights are, I must read the legislation applicable and, if necessary, consult a professional with pension expertise,
- (g) I understand that I have the right to cancel this waiver at any time before the member dies or is paid or commences to be paid the benefit, whichever comes first, by filing with the Minister a properly executed revocation of it, and
- (h) the information that I have given in this waiver is true, to the best of my knowledge, at the time when I have signed and then file this waiver but, if any of that information changes before the member makes an election to be paid all or a portion of his or her pension entitlement or other benefit due to shortened life expectancy, I undertake that I will immediately notify the Minister of that change.

To waive my rights described above, I sign this waiver form.

And I make this solemn declaration conscientiously believing it to be true and knowing that it is of the same force and effect as if made under oath.

DECLARED before me _____)
at the _____ of _____)
in _____ this _____)
day of _____, 20_____)

(Signature of
_____ pension partner)

A Commissioner for Oaths in
and for the Province/Territory
of _____