

ITEM	3
MANAGER'S REPORT NO.	36
COUNCIL MEETING	1980 05 12

Re: MUNICIPAL SUPERANNUATION - ELIGIBILITY FOR INCLUSION OF EMPLOYEES
WHOSE AGES ARE AT LEAST 15 YEARS LESS THAN MAXIMUM RETIREMENT AGE

Following is a report from the Personnel Director regarding the above subject.

RECOMMENDATION:

1. THAT the recommendations of the Personnel Director be adopted.

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TO: MUNICIPAL MANAGER

DATE: 1980 MAY 06

FROM: PERSONNEL DIRECTOR

RE: MUNICIPAL SUPERANNUATION - ELIGIBILITY FOR INCLUSION OF EMPLOYEES
WHOSE AGES ARE AT LEAST 15 YEARS LESS THAN MAXIMUM RETIREMENT AGE

RECOMMENDATIONS:

1. THAT the Municipal Council not place before the 1980 Annual Convention of the Union of British Columbia Municipalities a resolution to delete from Section 3(2)(a) of the Municipal Superannuation Act the requirement to have the employer's approval for inclusion of employees who are over 50 years of age (Group 1); and
2. THAT the Municipal Council adopt the following Resolution:

"Resolve that, pursuant to the provisions of Section 3(2)(b)(ii) of the Municipal Superannuation Act and subject to approval of the Personnel Director, an employee of an age within 15 years of his/her maximum retirement age shall be enrolled as a contributor upon his/her application."

REPORT

Council, in 1979, adopted the following motion:

"THAT staff prepare a resolution for consideration of Council, said resolution to be placed before the 1980 Annual Convention of the Union of British Columbia Municipalities deleting from the Municipal Superannuation Act the requirement to have the employer's approval for inclusion of employees who are over 50 years of age (Group 1 Employees)."

Section 3(2)(b)(ii) of the Municipal Superannuation Act provides that the Act shall apply to an employee "whose age is at least fifteen years less than the maximum retirement age . . . or whose eligibility under this Act has been approved by the employer."

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From time to time, employees enter service whose age is such that, by maximum retirement age, they will have less than 15 years of service. For such employees who apply to contribute to Superannuation, the Personnel Director will recommend to Council, on an individual basis, that they be included as employees for purposes of contributing to the Superannuation Plan. At present there are 37 employees who cannot complete 15 years of service; three of these employees, having applied for admission and with Council approval, are enrolled under the Plan; 34 of the 37 employees have not elected to be enrolled.

Technically, the resolution proposed by Council includes Group 1 Employees only. Should the resolution be put forward, it would need to include Group 2 Employees (Firemen, Policemen, Policewomen. Minimum and maximum retirement ages are 55 and 60 years respectively), and Group 4 Employees (Females who joined service after 1971 April 01. Minimum and maximum retirement ages are 60 and 65 years). The resolution would have no effect on Group 3 Employees (Females who joined service prior to 1971 April 01 and elected to retain ages 55 and 60 years as minimum and maximum retirement ages).

We have investigated the effects of Council's motion and would make Council aware of the following concerns involved in such a proposal:

1. The resolution would make it mandatory that all employees contribute to Superannuation. For employees who cannot complete 15 years of service, the option to not contribute to Superannuation would be denied.
2. The proposed resolution would make it mandatory for the employer to pay the additional cost of contributions for those who cannot complete 15 years of service and who may not wish to contribute.
3. Section 3(2)(b)(ii) of the Act was designed to provide flexibility for employers. In setting policy, the employer, may, by resolution, give blanket approval for admission of employees who can achieve a given minimum number of years less than 15, be they 14, 10, 5, or other years. The proposed resolution would deny flexibility in setting policy presently available to employers.

Because of our concerns, we do not recommend that Section 3(2)(b)(ii) of the Superannuation Act be amended. However, in order to reduce administrative costs, we recommend that Council adopt a blanket resolution to permit inclusion of employees who cannot complete 15 years of contributory service but who apply to the Personnel Director for admission. Such a resolution would make it no longer necessary for Council to consider separate resolutions to permit individual entry.

We have raised the question as to whether the Municipal Superannuation Act is discriminatory or inconsistent with the intent of the Human Rights Code of British Columbia. The Code defines "age" as "any age of forty-five years or more and less than sixty-five years".

The Superannuation Commissioner advises that the Legislature was cognizant of the existence of the Superannuation Act when the Human Rights Code was considered and passed. The Commissioner is of the opinion that the Superannuation Act is not discriminatory and, in fact, provides for uniform application of policy with respect to employees who cannot complete 15 years of service at maximum retirement age. The Commissioner advises, however, that should an employer deny entry to the Superannuation Plan for reasons of cost alone, then the employer might well be acting in conflict with the Human Rights Code.


D. F. Hicks
PERSONNEL DIRECTOR

OH/DFH/ar

cc: Municipal Treasurer