



# **BILL NO. 24**

*Government Bill*

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*2nd Session, 61st General Assembly  
Nova Scotia  
59 Elizabeth II, 2010*

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## **An Act Respecting Certain Financial Measures**

CHAPTER 3  
ACTS OF 2010

**AS ASSENTED TO BY THE LIEUTENANT GOVERNOR  
MAY 11, 2010**

The Honourable Graham Steele  
*Minister of Finance*

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*Halifax, Nova Scotia  
Printed by Authority of the Speaker of the House of Assembly*

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## **An Act Respecting Certain Financial Measures**

Be it enacted by the Governor and Assembly as follows:

- 1 This Act may be cited as the *Financial Measures (2010) Act*.

### PART I

#### INCOME TAX ACT

2 **Clause 8(d) of Chapter 217 of the Revised Statutes, 1989, the *Income Tax Act*, is repealed and the following clause substituted:**

- (d) for taxation years
- (i) before 2010, and after the taxation year immediately preceding the taxation year determined by subsection 8A(2), \$12,662 plus 17.5% of the amount by which the amount taxable exceeds \$93,000,
  - (ii) after 2009, and before the taxation year determined by subsection 8A(2),
    - (A) \$12,662 plus 17.5% of the amount by which the amount taxable exceeds \$93,000 and does not exceed \$150,000, and
    - (B) \$22,637 plus 21.0% of the amount by which the amount taxable exceeds \$150,000.

3 **Chapter 217 is further amended by adding immediately after Section 8 the following Section:**

- 8A (1) In this Section,
- (a) "deficit" means the amount in a fiscal year by which the total of
    - (i) net program expenses, net debt servicing costs and pension valuation adjustment for the fiscal year as defined in the budgetary summary of the annual Estimates of the Province for that fiscal year,
    - (ii) consolidation adjustments for governmental units in that fiscal year, and
    - (iii) net income or losses for government business enterprises in that fiscal year,exceed revenue for the fiscal year as defined in the budgetary summary of the annual Estimates of the Province for that fiscal year;

(b) "fiscal year" means the period from and including the first day of April in one year to and including the thirty-first day of March in the next year.

(2) In clause 8(d) and Section 33, the taxation year is the earlier of

(a) the calendar year in which the annual Estimates are tabled in the House of Assembly do not contain a deficit and the Minister of Finance for the Province provides written notice to the Minister of Finance of the taxation year on or before April 15th of the calendar year; or

(b) the calendar year immediately following the calendar year in which the annual Estimates are tabled in the House of Assembly do not contain a deficit and the Minister of Finance for the Province provides written notice to the Minister of Finance of the taxation year on or before October 15th of the calendar year.

**4 Subsection 22A(1) of Chapter 217 is amended by adding "for the Province" immediately following "Finance" in the third line.**

**5 Section 33 of Chapter 217 is repealed and the following Section substituted:**

33 In addition to the income tax payable, computed in accordance with subdivisions a to f, by an individual for a taxation year before the 2010 taxation year and after the taxation year immediately preceding the taxation year determined under subsection 8A(2), every individual shall pay a personal income surtax in respect of the taxation year equal to 10% of the amount, if any, by which the tax computed pursuant to subdivisions a to f for the taxation year exceeds \$10,000.

**6 Chapter 217 is further amended by adding immediately after Section 35 the following Section:**

35A The Governor in Council may make regulations

(a) defining a credit for recipients of the Guaranteed Income Supplement;

(b) prescribing the eligibility criteria and payment amounts for the credit for recipients of the Guaranteed Income Supplement;

(c) prescribing anything necessary or advisable to enable Her Majesty in right of Canada to administer, on behalf of Her Majesty in right of the Province, the credit for recipients of the Guaranteed Income Supplement.

**7 Subsection 40(2) of Chapter 217 is amended by striking out "A is 5%;" in the ninth line and substituting:**

A is that proportion of 5% that the number of days in the taxation year that are before 2011 is of the number of days in the taxation year, and that proportion of 4.5% that the number of days in the taxation year that are after 2010 is of the number of days in the taxation year;

**8 Subsection 80(1) of Chapter 217 is amended by**

**(a) adding “, the Nova Scotia Affordable Living Tax Credit and the Nova Scotia Poverty Reduction Credit” immediately after “Program” in the second line of clause (b);**

**(b) adding “, the Nova Scotia Affordable Living Tax Credit and the Nova Scotia Poverty Reduction Credit” immediately after “Program” in the third line of clause (c); and**

**(c) adding “, the Nova Scotia Affordable Living Tax Credit and the Nova Scotia Poverty Reduction Credit” immediately after “Program” in the last line of clause (d).**

PART II

MEMBERS’ RETIRING ALLOWANCES ACT

**9 Subsections 12(4) and (5) of Chapter 282 of the Revised Statutes, 1989, the *Members’ Retiring Allowances Act*, are repealed and the following subsections substituted:**

(4) An allowance under this Act or any predecessor to this Act being paid to a member or to a surviving spouse or dependant of a member on the thirty-first day of December, 2010, inclusive of any cost of living adjustments made by that date, shall be adjusted annually, commencing the first day of January, 2011, in the same manner and by the same percentage as are superannuation allowances payable under the *Public Service Superannuation Act*.

(5) An allowance under this Act or any predecessor to this Act that commences to be paid to a member or to a surviving spouse or dependant of a member after the thirty-first day of December, 2010, shall be adjusted annually in the same manner and by the same percentage as are superannuation allowances under the *Public Service Superannuation Act* that commence to be paid after the thirty-first day of December, 2010.

(6) Sections 19A to 19E of the *Public Service Superannuation Act* apply *mutatis mutandis* to subsections (4) and (5).

(7) From and after the first day of January, 2011, no allowance under this Act shall commence or continue to be credited with any cost of living adjustment during the period prior to which the allowance commences to be paid.

(8) Any allowance under this Act or any predecessor to this Act being paid on the thirty-first day of December, 2010, or that commences to be paid after the thirty-first day of December, 2010, shall be adjusted for cost of living in accordance only with subsections (4) to (6) and, notwithstanding any prior enactment or regulation, or any contract, agreement, order or representation relating to, fixing or in any manner referencing a cost of living adjustment applicable to any allowance under this Act or any predecessor to this Act, the amount of any such cost of living adjustment shall be determined solely in accordance with subsections (4) to (6), and no person shall have or maintain any cause of action or claim against the Province, the Minister or any other person arising from or in relation to any such prior enactment, regulation, contract, agreement, order or representation.

**10 Section 13 of Chapter 282, as amended by Chapter 12 of the Acts of 2003, is further amended by adding immediately after subsection (2) the following subsections:**

(3) Any reference in subsection (1) to "sixty-six and two-thirds per cent" shall, for a person who first becomes a member on or after the sixth day of April, 2010, be deemed to be sixty per cent.

(4) The reference in subsection (1) to "thirty-three and one-third per cent" shall, for a person who first becomes a member on or after the sixth day of April, 2010, be deemed to be forty per cent.

**11 (1) Clause 19(1)(g) of Chapter 282 is repealed.**

**(2) Section 19 of Chapter 282, as amended by Chapter 29 of the Acts of 1993, is further amended by adding immediately after subsection (1) the following subsection:**

(1A) A regulation made pursuant to subsection (1) may, if it so provides, be made retroactive to a date not earlier than the first day of January, 2010.

### PART III

#### PUBLIC SERVICE ACT

**12 Section 17K of Chapter 376 of the Revised Statutes, 1989, the *Public Service Act*, is repealed.**

### PART IV

#### PUBLIC SERVICE SUPERANNUATION ACT

**13 Section 2 of Chapter 377 of the Revised Statutes, 1989, the *Public Service Superannuation Act*, as amended by Chapter 39 of the Acts of 1993, Chapter 3 of the Acts of 1997, Chapter 13 of the Acts of 1998, Chapter 5 of the Acts of 2002 and Chapter 51 of the Acts of 2007, is further amended by**

**(a) relettering clause (a) as (aa) and adding immediately before clause (aa) the following clause:**

(a) "actuarial valuation report" means a report for funding purposes prepared as of a specified date on the financial status of the pension plan commissioned by the Trustee and prepared by the plan's actuary in accordance with generally accepted actuarial principles and based on assumptions approved by the Trustee;

**(b) relettering clause (da) as (db) and adding immediately before clause (db) the following clause:**

(da) "funded ratio" means the ratio of the assets of the pension plan to the liabilities of the pension plan, expressed as a percentage and as calculated by the plan's actuary and set out in an actuarial valuation report and, in determining this ratio,

(i) assets shall be the market value of investments held by the pension plan or a value related to the market value by means of an averaging method that stabilizes short-term fluctuations of market value over a period of not more than five years, plus any cash balances and accrued or receivable income and expense items, and

(ii) liabilities shall be the present value of the accrued benefits under the pension plan determined on the basis of a going concern actuarial valuation for funding purposes taking into account any known cost of living increases for the five-year period following the actuarial valuation date but excluding the possibility of any increases that are not known;

**(c) adding immediately after clause (h) the following clause:**

(ha) “plan’s actuary” means a Fellow of the Canadian Institute of Actuaries appointed by the Trustee;

**(d) adding immediately after clause (i) the following clause:**

(ia) “Province” means Her Majesty in right of the Province;

**(e) adding immediately after clause (ka) the following clause:**

(kaa) “superannuation allowance” means an amount payable from the Superannuation Fund on a periodic basis under this Act;

**and**

**(f) striking out the period at the end of clause (l) and substituting a semicolon and adding the following clause:**

(m) “Trustee” means the Trustee of the Superannuation Fund and of the pension plan and may include a board of trustees.

**14 Chapter 377 is further amended by adding immediately after Section 2 the following Section:**

2A The Minister has the general supervision and management of this Act.

**15 Chapter 377 is further amended by adding immediately after Section 3A the following Sections:**

3B (1) The Minister is the Trustee.

(2) Notwithstanding subsection (1), the Minister may appoint a replacement Trustee and, in such case, the Minister shall transfer the Minister’s powers and duties as Trustee, as established pursuant to this Act and any regulations made hereunder, to such replacement and, upon such transfer, the Minister shall no longer act as the Trustee and shall have no continuing legal liability for the pension plan in the Minister’s capacity as sole Trustee of the plan.

(3) Where the Minister appoints a replacement Trustee, the Minister may enter into an agreement with such Trustee regarding their respective roles, responsibilities and obligations, including the shared responsibilities of the Province resulting from a joint participatory interest in such Trustee, or the Minister may, with

the approval of the Governor in Council, make regulations regarding such roles, responsibilities and obligations.

(4) Notwithstanding subsection (1) of Section 3, where the Minister appoints a replacement Trustee, the Minister may appoint a replacement pension plan administrator and enter into agreements relating to that replacement administrator and, upon such appointment, the Department of Finance ceases to be the administrator and has no continuing legal responsibility for the administration of the pension plan.

(5) All employees shall make contributions to the Superannuation Fund as provided for in this Act and the regulations.

(6) All employers with employees contributing to the Superannuation Fund shall make contributions to the Superannuation Fund as provided for in this Act and the regulations.

(7) The Minister may, until a Trustee is appointed by the Minister pursuant to subsection (2), make special payments into the Superannuation Fund in amounts and at times determined by the Minister.

(8) Upon the Minister appointing a replacement Trustee pursuant to subsection (2), no person shall have or maintain any cause of action or claim against the Minister or the Province arising from or in relation to any act or omission by the Minister in the Minister's capacity as sole Trustee of the pension plan occurring at any time prior to the appointment of such replacement Trustee.

(9) Upon the Minister appointing a replacement pension plan administrator pursuant to subsection (4), no person shall have or maintain any cause of action or claim against the Department of Finance, including the Nova Scotia Pension Agency, the Province or the Minister arising from or in relation to any act or omission by the Department of Finance, including the Nova Scotia Pension Agency, as administrator occurring at any time prior to the appointment of such replacement administrator.

3C (1) The accounts and investments of the Superannuation Fund shall be audited annually by the Auditor General or such other auditor as the Minister may from time to time appoint.

(2) Where a replacement Trustee is appointed pursuant to subsection (2) of Section 3B and a replacement pension plan administrator is appointed pursuant to subsection (4) of Section 3B, subsection (1) no longer applies and, notwithstanding anything set out in the *Auditor General Act*, the Trustee shall annually appoint an auditor who shall audit the accounts and investments of the Superannuation Fund and report to the Trustee.

3D (1) The terms of the pension plan are as set out in this Act and the regulations.

(2) The governance arrangements for the pension plan are as set out in this Act and the regulations, and in such other documents as may be created or adopted from time to time pursuant to this Act or the regulations.



**16 Section 6 of Chapter 377, as amended by Chapter 39 of the Acts of 1993, Chapter 13 of the Acts of 1998 and Chapter 51 of the Acts of 2007, is further amended by adding immediately after subsection (2) the following subsections:**

(3) Any reference in subsection (1) to "sixty-six and two thirds per cent" shall, for an employee who first commences employment on or after the sixth day of April, 2010, be deemed to be sixty per cent.

(4) The reference in subsection (1) to "thirty-three and one third per cent" shall, for an employee who first commences employment on or after the sixth day of April, 2010, be deemed to be forty per cent.

**17 (1) Section 9 of Chapter 377, as amended by Chapter 3 of the Acts of 2004, Chapter 9 of the Acts of 2007, Chapter 51 of the Acts of 2007 and Chapter 5 of the Acts of 2009, is further amended by adding immediately after subsection (1B) the following subsections:**

(1C) Where in the actuarial valuation report produced as at the thirty-first day of December, 2014, or in an actuarial report produced on any fifth anniversary of the date of that report, the funded ratio of the pension plan is below one hundred per cent, the Trustee, with the advice of the plan's actuary and other relevant advisors, shall increase the contribution rates set out in subsection (1) and make any other changes to the plan considered prudent and necessary, with such contribution increases, in combination with any plan changes, to be at least the amounts required, based on a projection of the pension plan's financial position using the plan's going-concern actuarial assumptions for funding purposes and in consideration of any other appropriate actions to be implemented by the Trustee, to bring the funded ratio of the pension plan to at least one hundred per cent within the ten-year period immediately following the date of the actuarial valuation report.

(1D) Where in the actuarial valuation report produced as at the thirty-first day of December, 2014, or in an actuarial report produced on any fifth anniversary of the date of that report, the funded ratio of the pension plan is above one hundred and ten per cent, the Trustee, with the advice of the plan's actuary and other relevant advisors, shall decrease the contribution rates set out in subsection (1) as considered by the Trustee to be reasonable and equitable, but subject to cost of living increases and any other allocations of surplus funding under Sections 19B or 19C, as applicable, so long as the resulting funded ratio of the pension plan over the immediately following five-year period is not projected to fall below one hundred per cent.

(1E) Notwithstanding subsections (1C) and (1D), where, with the advice of the plan's actuary and other relevant advisors, the Trustee at any time has reason to believe that the funded ratio of the pension plan has, because of the then-current economic situation or other extraordinary circumstances, declined so as to be fifteen percentage points or more below the funded ratio set out in the immediately preceding five-year actuarial valuation report, the Trustee shall increase the contribution rates set out in subsection (1) and make any other changes to the pension plan considered by the Trustee to be prudent and necessary to improve the funded ratio of the plan.

(1F) For greater certainty, the increase in contribution rates and any other changes to the pension plan pursuant to subsection (1E) may be made by the Trustee more than once in any five-year period referred to in subsections (1C) and (1D).

(1G) Notwithstanding subsections (1C) and (1D), where, with the advice of the plan's actuary and other relevant advisors, the Trustee at any time has reason to believe that the funded ratio of the pension plan has, because of the then-current economic situation or other extraordinary circumstances, declined so as to be ten percentage points or more below the funded ratio set out in the immediately preceding five-year actuarial valuation report, the Trustee may increase the contribution rates set out in subsection (1) and make any other changes to the pension plan considered by the Trustee to be prudent and necessary to improve the funded ratio of the plan.

(1H) For greater certainty, the increase in contribution rates and any other changes to the pension plan pursuant to subsection (1G) may be made by the Trustee more than once in any five-year period referred to in subsections (1C) and (1D).

(1I) Notwithstanding subsection (1), the Trustee has the sole power to determine employee and employer contribution rates under the pension plan.

(1J) The Trustee shall promptly notify all affected employees and employers of any change to contribution rates determined by the Trustee.

**(2) Subsection 9(11) of Chapter 377 is repealed.**

**18 Section 9A of Chapter 377 is repealed.**

**19 Chapter 377 is further amended by adding immediately after Section 12 the following Section:**

12A (1) Upon the appointment of a Trustee by the Minister pursuant to subsection (2) of Section 3B,

(a) Section 12 ceases to have effect;

(b) subject to any agreement entered into pursuant to subsection (2) of Section 3B, the Minister is only responsible for making those payments to the Superannuation Fund as the Minister as an employer is required to make pursuant to this Act and the regulations; and

(c) subject to any agreement entered into pursuant to subsection (2) of Section 3B, the Minister is not liable to make any supplementary payments for the purpose of meeting any underfunding in the pension plan.

(2) Upon Section 12 ceasing to have effect pursuant to subsection (1), and notwithstanding any contract, agreement, order or representation to the contrary given, made or delivered at any time, no person shall have or maintain any cause of action or claim against the Province, the Minister, the Trustee or any other person arising from or in relation to the cessation of the obligation of the Minister under Sec-

tion 12 or the failure of the Minister to make any payment contemplated by Section 12.

**20 Section 16 of Chapter 377, as amended by Chapter 39 of the Acts of 1993, Chapter 5 of the Acts of 2002, Chapter 6 of the Acts of 2003 (2nd Sess.) and Chapter 51 of the Acts of 2007, is further amended by adding immediately after subsection (6A) the following subsection:**

(6B) The references in subsection (6A) to "fifty" and "eighty" shall, for an employee who first commences employment on or after the sixth day of April, 2010, be deemed to be fifty-five and eighty-five, respectively.

**21 Section 17 of Chapter 377, as amended by Chapter 39 of the Acts of 1993, Chapter 24 of the Acts of 1995-96, Chapter 13 of the Acts of 1998 and Chapter 51 of the Acts of 2007, is further amended by adding immediately after subsection (6) the following subsections:**

(7) Any reference in subsection (1) to "sixty-six and two thirds per cent" shall, for an employee who first commences employment on or after the sixth day of April, 2010, be deemed to be sixty per cent.

(8) The reference in subsection (1) to "thirty-three and one third per cent" shall, for an employee who first commences employment on or after the sixth day of April, 2010, be deemed to be forty per cent.

(9) Any reference in subsection (1) to "three qualifying children" shall, for an employee who first commences employment on or after the sixth day of April, 2010, be deemed to be four qualifying children.

**22 Chapter 377 is further amended by adding immediately after Section 19 the following Sections:**

19A (1) A superannuation allowance or other allowance under this Act or any predecessor to this Act being paid on the thirty-first day of December, 2010, inclusive of any cost of living adjustments made by that date, shall be increased by 1.25 per cent, or a lesser percentage in accordance with subsection (3) or (4), on the first day of January, 2011, and thereafter the superannuation allowance or other allowance together with accumulated cost of living adjustments made under this Section shall be further increased by 1.25 per cent effective the first day of January in each of 2012, 2013, 2014 and 2015.

(2) A superannuation allowance or other allowance under this Act that commences to be paid on or after the first day of January, 2011, and on or before the thirty-first day of December, 2014, shall be increased by 1.25 per cent, or a lesser percentage in accordance with subsection (3) or (4), on the first day of January of the immediately following calendar year, and thereafter the superannuation allowance or other allowance together with accumulated cost of living adjustments made under this Section shall be further increased by 1.25 per cent effective the first day of January in each succeeding year to and including the first day of January, 2015.

(3) For any superannuation allowance or other allowance under this Act that commences to be paid on or after the first day of January, 2010, and on or

before the thirty-first day of December, 2014, where the date of commencement of payment is other than the first day of January, the 1.25 per cent cost of living increase referred to in subsections (1) and (2), and applicable to the next following first day of January, shall be reduced so as to be proportionate to the part of the calendar year for which the allowance is paid.

(4) Subsection (3) does not apply to an allowance that commences to be paid to the survivor of an employee in receipt of a superannuation allowance under this Act unless that employee died in the calendar year that the allowance commenced to be paid to the employee, in which case the cost of living increase referred to in subsections (1) and (2), and applicable to the next following first day of January, shall be reduced so as to be proportionate to the part of the calendar year for which an allowance is paid to the employee and the survivor.

19B (1) The cost of living increase, if any, for the period 2016-2020 shall be declared by the Trustee based on the advice of the plan's actuary and the funded ratio of the pension plan as at the thirty-first day of December, 2014, as set out in an actuarial valuation report made as at the thirty-first day of December, 2014, and to be completed no later than the thirtieth day of June, 2015.

(2) A superannuation allowance or other allowance under this Act or any predecessor to this Act being paid on the thirty-first day of December, 2015, inclusive of any cost of living adjustments made by that date, shall be further adjusted for the period 2016-2020 based on the Trustee's declared five-year cost of living increase for the period, if any, subject to the following:

(a) where the funded ratio of the pension plan as at the thirty-first day of December, 2014, is below one hundred per cent, there shall be no increase for cost of living during the period 2016-2020;

(b) where the funded ratio of the pension plan as at the thirty-first day of December, 2014, is at least one hundred per cent and at or below one hundred and ten per cent, the superannuation allowance or other allowance under this Act or any predecessor to this Act being paid on the thirty-first day of December, 2015, inclusive of any cost of living adjustments made by that date, shall be increased by a percentage, which may include zero per cent, determined by the Trustee based on the actuarial valuation report referred to in subsection (1) and targeted to reduce the funded ratio of the pension plan over the immediately following five-year period to, but not below, one hundred per cent, or by a prorated amount of such percentage in accordance with subsection (5) or (6), effective the first day of January, 2016, and thereafter the superannuation allowance or other allowance together with accumulated cost of living adjustments made under this Act shall be further increased by the same percentage effective the first day of January in each of 2017, 2018, 2019 and 2020;

(c) notwithstanding clause (b), the Trustee may, for the purpose of prudent management of the pension plan, retain in the plan a reasonable portion of the surplus funding identified in clause (b) to fund a strategic reserve for the benefit of the plan rather than applying the entirety of such surplus funding to cost of living increases;

(d) where the funded ratio of the pension plan as at the thirty-first day of December, 2014, is above one hundred and ten per cent, the superannuation allowance or other allowance under this Act or any predecessor to this Act being paid on the thirty-first day of December, 2015, inclusive of any cost of living adjustments made by that date, shall be increased by a percentage determined by the Trustee based on the actuarial valuation report referred to in subsection (1) and targeted to reduce the funded ratio of the pension plan over the immediately following five-year period to, but not below, one hundred per cent, or by a prorated amount of such percentage in accordance with subsection (5) or (6), effective the first day of January, 2016, and thereafter the superannuation allowance or other allowance together with accumulated cost of living adjustments made under this Act shall be further increased by the same percentage effective the first day of January in each of 2017, 2018, 2019 and 2020;

(e) notwithstanding clause (d), the Trustee may, for the purpose of prudent management of the pension plan, rather than applying the entirety of the surplus funding identified in clause (d) to cost of living increases, allocate a portion of that surplus funding to

- (i) fund a strategic reserve for the benefit of the plan,
- (ii) fund other plan improvements, considering the equities among plan participants,
- (iii) fund contribution rate decreases referred to in subsection (1B) of Section 9, or
- (iv) cost of living increases,

or some combination of the foregoing, provided however that the Trustee must first apply that portion of such surplus funding that is equivalent to what would result in a reduction of a funded ratio of the pension plan of one hundred and ten per cent to a funded ratio over the immediately following five-year period to, but not below, one hundred per cent, to

- (v) cost of living increases, or
- (vi) fund a strategic reserve for the benefit of the plan,

or both.

(3) The amount of annual cost of living increase, if any, referred to in subsection (2) and applicable to the period 2016-2020 shall be declared by the Trustee no later than the thirtieth day of September, 2015.

(4) A superannuation allowance or other allowance under this Act that commences to be paid on or after the first day of January, 2016, shall

(a) receive no cost of living increase for the calendar years 2017, 2018, 2019 and 2020 if the funded ratio of the pension plan as at the thirty-first day of December, 2014, is less than one hundred per cent; or

(b) where the funded ratio of the pension plan as at the thirty-first day of December, 2014, is at least one hundred per cent, be increased by the percentage, if any, determined by the Trustee pursuant to clauses

(2)(b) and (c), or clauses (2)(d) and (e), for the period 2016-2020, or a prorated amount of such percentage in accordance with subsection (5) or (6), effective the first day of January of the calendar year immediately following the calendar year in which the allowance commenced to be paid, and thereafter the superannuation allowance or other allowance together with accumulated cost of living adjustments made under this Section shall be further increased by the same percentage effective the first day of January in each succeeding year to and including the first day of January, 2020.

(5) For any superannuation allowance or other allowance under the Act that commences to be paid on or after the first day of January, 2015, and on or before the thirty-first day of December, 2019, where the date of commencement of payment is other than the first day of January, the percentage cost of living increase determined by the Trustee pursuant to clauses (b) and (c) of subsection (2) or clauses (d) and (e) of subsection (2), for the period 2016-2020, and applicable to the next following first day of January, shall be reduced so as to be proportionate to the part of the calendar year for which the allowance is paid.

(6) Subsection (5) does not apply to an allowance that commences to be paid to the survivor of an employee in receipt of a superannuation allowance under this Act unless that employee died in the calendar year that the allowance commenced to be paid to the employee, in which case the cost of living increase referred to in clauses (b) and (c) of subsection (2) or clauses (d) and (e) of subsection (2), for the period 2016-2020, and applicable to the next following first day of January, shall be reduced so as to be proportionate to the part of the calendar year for which an allowance is paid to the employee and the survivor.

19C The principles, time lines and processes set out in Section 19B shall apply, with all necessary date changes, to cost of living increases, if any, for each five-year period subsequent to 2020.

19D From and after the first day of January, 2011, no allowance under this Act shall commence or continue to be credited with any cost of living adjustment during the period prior to which the allowance commences to be paid.

19E (1) Notwithstanding Sections 19B and 19C, for the five-year period 2016-2020 and thereafter, where, with the advice of the plan's actuary and other relevant advisors, the Trustee at any time has reason to believe that the funded ratio of the pension plan has, because of the then-current economic situation or other extraordinary circumstances, declined so as to be fifteen percentage points or more below the funded ratio set out in the immediately preceding five-year actuarial valuation report, the Trustee shall declare the annual cost of living increase effective the next following first day of January to be zero.

(2) Where the Trustee declares an annual cost of living increase to be zero pursuant to subsection (1), the Trustee shall monitor the economic situation or other extraordinary circumstances that prompted the declaration and may, with the advice of the plan's actuary and other relevant advisors, declare further scheduled cost of living increases within that five-year period to also be zero.

(3) Any annual cost of living increase payable but for subsections (1) and (2) shall not accumulate or otherwise be payable at a future time.

19F Any superannuation allowance or other allowance under this Act or any predecessor to this Act being paid on the thirty-first day of December, 2010, or that commences to be paid after the thirty-first day of December, 2010, shall be adjusted for cost of living in accordance only with Sections 19A, 19B, 19C, 19D and 19E and, notwithstanding any prior enactment or regulation, or any contract, agreement, order or representation relating to, fixing or in any manner referencing a cost of living adjustment applicable to any superannuation allowance or other allowance under this Act or any predecessor to this Act, the amount of any such cost of living adjustment shall be determined solely in accordance with Sections 19A, 19B, 19C, 19D and 19E, and no person shall have or maintain any cause of action or claim against the Province, the Minister, the Trustee or any other person arising from or in relation to any such prior enactment, regulation, contract, agreement, order or representation.

**23 Section 20 of Chapter 377 is amended by**

- (a) adding “(1)” immediately after the Section number;**
- (b) striking out clause (c);**
- (c) adding immediately after subclause (d)(vi) the following subclause:**  
(via) defining any word or expression used but not defined in this Act,

**and**

- (d) adding the following subsection:**  
(2) A regulation made pursuant to subsection (1) may, if it so provides, be made retroactive to a date not earlier than the first day of January, 2010.

PART V

SALES TAX ACT

**24 Clause 2(a) of Chapter 31 of the Acts of 1996, the *Sales Tax Act*, is repealed and the following clause substituted:**

(a) “Agreement” means the Comprehensive Integrated Tax Co-ordination Agreement referred to in this Act and any new Comprehensive Integrated Tax Co-ordination Agreement entered into with the Minister of Finance for Canada on behalf of the Government of Canada, together with any amendments made pursuant to this Act;

**25 Clause 5(3)(a) of Chapter 31 is amended by adding “or the Province” immediately after “provinces” in the second line.**

PART VI

EFFECTIVE DATES

- 26 (1) Sections 2 to 8 have effect on and after January 1, 2010.**

(2) Sections 24 and 25 come into force on such day as the Governor in Council orders and declares by proclamation.

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