NATIONAL ASSEMBLY

SECOND SESSION THIRTY-FIFTH LEGISLATURE

Bill 193

An Act respecting the pension plan of certain employees of the Commission des écoles catholiques de Québec

Introduced 16 October 1996
Passage in principle 23 October 1996
Passage 14 November 1996
Assented to 21 November 1996

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EXPLANATORY NOTES

The purpose of this bill is to allow provisions of the pension plan of certain employees of the Commission des écoles catholiques de Québec to be amended without increasing the employee contributions, the costs resulting from such amendments being paid out of the actuarial surplus of the plan.

The bill provides for full annual indexing of pensions according to the rate of increase in the Consumer Price Index in respect of the part of the pension that pertains to service prior to the year 1990. In addition, the bill provides, until 30 June 1999, that every active member at least 60 years of age or with at least 30 years of service may retire without any actuarial reduction. It also proposes to decrease the actuarial reduction applicable to early retirement and grants certain rights of redemption.

Lastly, under the bill, the pension committee will be authorized to use, on certain conditions, future actuarial surpluses so as to improve certain measures provided for by the bill.

Bill 193

AN ACT RESPECTING THE PENSION PLAN OF CERTAIN EMPLOYEES OF THE COMMISSION DES ÉCOLES CATHOLIQUES DE QUÉBEC

THE PARLIAMENT OF QUÉBEC ENACTS AS FOLLOWS :

1. Notwithstanding section 125 of the Act respecting the Government and Public Employees Retirement Plan (R.S.Q., chapter R-10), the pension plan of certain employees of the Commission des écoles catholiques de Québec may be amended to the extent provided by this Act without increasing the member contributions, and the additional costs resulting therefrom shall be paid out of the actuarial surplus of the plan.

2. Every pension in course of payment and payable to a member or to a surviving spouse under the provisions of the plan shall be indexed each year on 1 January

(1) for that part of the pension that pertains to service prior to the reference year of service, at the rate of increase in the Pension Index for the year within the meaning of the plan in relation to that of the preceding year ;

(2) for that part of the pension that pertains to service from the reference year of service, at the rate by which the said rate exceeds 3%.

The first adjustment of any pension resulting from such indexing shall be in the proportion that the number of months in which the pension was paid during the year in which the member retired is of 12 months.

For the purposes of the first paragraph, the reference year of service is 1990.

3. Every pension in course of payment on the date of effect of the amendment referred to in section 2 shall, where applicable, be adjusted from that date so that it is equal to the amount of pension that would be payable on that date had the part of the pension that pertains to service credited from 1984 to 1989 been indexed each year on 1 January from the date of retirement at the rate of increase in the Pension Index for the year within the meaning of the plan in relation to that of the preceding year.

4. Every member is entitled to early retirement from any date preceding the normal retirement date by not more than ten years. The amount of the early retirement pension shall be the amount of the normal pension reduced by

0.33% for each month between the date of retirement and the earliest date on which the member would have been entitled to a retirement pension without reduction.

5. Every active member at least 60 years of age or with at least 30 years of service is entitled to early retirement equal to the normal retirement pension credited at that time, without reduction, from the first day in the month following the date on which his employment ceases.

The first paragraph applies to every active member who retires within the period extending from the date of effect of the amendment referred to in that paragraph to 30 June 1999.

6. Every active member whose first day of employment is prior to the date on which he became a member of the plan is entitled to redeem all or part of the period of service prior to that latter date. Every active member is also entitled to redeem any leave without pay following a maternity leave.

For the purpose of such redemption, the active member shall pay into the pension fund, in accordance with the provisions of the plan, a contribution determined according to the annual rate of salary on the date of his application for redemption, to the rate of member contribution in force on that date and to the period of redeemed service. The redeemed service shall be added to the service credited.

The part of the retirement pension relating to the period of redeemed service shall not exceed, on the date of retirement, the amount obtained by multiplying two-thirds of the limit of the benefits determined, applicable in respect of the year of retirement under the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement) by the number of years of redeemed service.

7. The pension committee may, with the authorization of the Commission des écoles catholiques de Québec and the Government, defer the reference year of service referred to in section 2 and make the adjustment resulting from such deferral and corresponding to that which is provided in section 3, adapted as required, in respect of pensions in course of payment on the date of effect of the deferral, and extend the period referred to in the second paragraph of section 5 if the report on the actuarial valuation required under the Supplemental Pension Plans Act (R.S.Q., chapter R-15.1) shows the existence of a reserve sufficient to provide for the various risks covered by the plan and of an actuarial surplus sufficient to cover the total cost of the amendments.

8. The amendments provided for in sections 2 and 4 to 6 may have effect from 1 July 1995.

9. This Act comes into force on 21 November 1996.