

To date, study of the draft Rules have shown no negative impact on businesses, including small and medium sized businesses.

Further information may be obtained by contacting:

Mr. Marc Lajoie, advocate, Régie des alcools, des courses et des jeux, 1281, boulevard Charest Ouest, Québec (Québec) G1N 2C9; tel. (418) 644-0815; fax: (418) 643-5971.

Any interested person having comments to make on the matter is asked to send them in writing, before the expiry of the 45-day period, to the President of the Régie des alcools, des courses et des jeux du Québec, 1281, boulevard Charest Ouest, Québec (Québec) G1N 2C9.

SERGE LAFONTAINE,
President,

Rules to amend the Rules respecting Standardbred horse racing*

(R.S.Q., c. C-72.1, s. 103, 1st par., par. 2, subpar. *a* and *c*)

1. Section 91 of the Rules respecting Standardbred horse racing is amended by substituting subparagraph *b* and *c* of paragraph 1 with the following:

“(b) 9, on a racing strip longer than half a mile but shorter than seven-eighth of a mile;

(c) 11, on a racing strip of no less than seven-eighth of a mile long;”.

2. Section 214 is amended by substituting the number 8 for the number 7 in the first paragraph.

3. Section 217 is amended:

(1) by substituting the words “than seven-eighth of a mile” for the words “than a mile” in paragraph 2 of the second paragraph;

(2) by adding the following paragraph at the end of the second paragraph:

“(3) on a racing strip of not less than seven-eighth of a mile long:

(a) first position on the first line;

(b) second position on the first line;

(c) third position on the first line;

(d) fourth position on the first line;

(e) first position on the second line;

(f) fifth position on the first line;

(g) sixth position on the first line;

(h) seventh position on the first line;

(i) eighth position on the first line;

(j) second position on the second line;

(k) ninth position on the first line;

(l) tenth position on the first line;

(m) eleventh position on the first line;

(n) third position on the second line;

(o) fourth position on the second line;

(p) the others are placed in similar fashion to the right of the horse having the fourth position on the second line.”.

4. These Rules come into force on the fifteenth day following the date of their publication in the *Gazette officielle du Québec*.

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Draft Regulation

Supplemental Pension Plans Act
(R.S.Q., c. R-15.1)

Plans exempted from the application of certain provisions of the Act — Amendments

Notice is hereby given, in accordance with sections 10 and 11 of the Regulations Act (R.S.Q., c. R-18.1), that the Regulation to amend the Regulation respecting plans exempted from the application of certain provi-

* The Rules respecting Standardbred horse racing, made by the Régie des loteries et des courses at its sitting of 19 September 1990 (1990, *G.O.* 2, 2491), were last amended by the Rules to amend the Rules respecting Standardbred horse racing made by the Régie des alcools, des courses et des jeux at its sitting of 2 September 1997 (1997, *G.O.* 2, 4625). For previous amendments, refer to the *Tableau des modifications et Index sommaire*, Éditeur officiel du Québec, 1998, updated to 1 September 1998.

sions of the Supplemental Pension Plans Act, the text of which appears below, may be submitted to the Government for approval upon the expiry of 45 days following this publication.

The following Regulation is intended to allow the establishment of flexible pension plans in Québec, that is, defined benefit plans or defined benefit-defined contribution plans under which members may make additional contributions in order to acquire ancillary benefits. This type of plan has been allowed since November 1996 by Revenue Canada Taxation but the rules applicable to such plans may conflict with certain provisions of the Supplemental Pension Plans Act (R.S.Q., c. R-15.1). The Regulation is intended, therefore, to exempt such plans from the application of the incompatible provisions of the Act.

Further information may be obtained from Mrs. Renée Madore, Régie des rentes du Québec, Place-de-la-Cité, 2600, boulevard Laurier, Sainte-Foy (Québec) G1V 4T3 (tel.: (418) 657-8702, extension 3035, fax: (418) 643-9590).

Any person having comments to make on this matter is asked to send them in writing, before the expiry of the 45-day period, to Mr. Guy Morneau, President and General Manager of the Régie des rentes du Québec, Place-de-la-Cité, 2600, boulevard Laurier, 5^e étage, Sainte-Foy (Québec) G1V 4T3. Comments will be forwarded by the Régie to the Minister of Social Solidarity, who is responsible for the administration of the Supplemental Pension Plans Act.

ANDRÉ BOISCLAIR,
Minister of Social Solidarity

Regulation to amend the Regulation respecting plans exempted from the application of certain provisions of the Supplemental Pension Plans Act*

Supplemental Pension Plans Act
(R.S.Q., c. R-15.1, s. 2, 2nd para.; 1993, c. 45, s. 1)

1. The Regulation respecting plans exempted from the application of certain provisions of the Supplemental Pension Plans Act is amended by the insertion, after section 25, of the following division:

tal Pension Plans Act is amended by the insertion, after section 25, of the following division:

“DIVISION VII FLEXIBLE RETIREMENT PLANS

26. A defined benefit or defined benefit-defined contribution pension plan that allows a member to pay, without a corresponding payment by the employer, a sum to be converted later into an ancillary benefit and which meets the requirements set forth in Bulletin 96-3, dated 25 November 1996, entitled “News” and published by Revenue Canada Taxation, Registered Plans Division, is said to be a “flexible pension plan”. The sum thus paid and the benefit arising therefrom are, for the purposes of this division, respectively, an “optional ancillary contribution” and an “optional ancillary benefit” provided they are within the meaning given to the terms similarly named in the said Bulletin.

A flexible pension plan is exempted, with respect to optional ancillary contributions, from the application of the provisions referred to in section 28.

27. For the purposes of this division, the provisions of the Act that concern additional voluntary contribution, adapted as required, apply to optional ancillary contributions.

28. A flexible pension plan is exempted, with respect to optional ancillary contributions, from the application of the following provisions of the Act:

(1) section 47, so that, where a member or beneficiary has become entitled to a benefit under the pension plan, the optional ancillary contributions continue, subject to the provisions of section 45.1 of the Act, to bear interest at the rate referred to in section 44 of the Act until the said contributions are converted into optional ancillary benefits;

(2) section 67, so that a member who ceases to be an active member has the right to withdraw the value of such contributions credited to his account provided he has not become entitled to any benefit under the plan. This withdrawal right can be exercised only within the periods provided for in the second paragraph of section 67 of the Act;

(3) section 83, provided that the member is entitled, from the date on which a pension begins to be paid to him under the plan, to the formation of optional ancillary benefits, whose value shall be determined in accordance with section 33 of the Regulation, that arise from the said contributions credited to his account;

* The last amendment to the Regulation respecting plans exempted from the application of certain provisions of the Supplemental Pension Plans Act, approved by Order in Council 1160-90, dated 8 August 1990 (1990, *G.O.* 2, 2333), was made by the regulation approved by Order in Council 1466-95, dated 8 November 1995 (1995, *G.O.* 2, 3160). For the preceding amendments, see *Tableau des modifications et Index sommaire*, Éditeur officiel du Québec, 1998, updated to 1 September 1998.

(4) the second paragraph of section 86 and subparagraph 1 of section 98 so that for the application of the other provisions of the said sections, the optional ancillary contributions are deemed to have been converted, to the highest value of the options available under the plan, into optional ancillary benefits on the day preceding, as the case may be, the death of the member, the date on which he ceased to be an active member or the date of the transfer application;

(5) section 264, so that the said contributions are non-transferable and non-seizable to the same extent as member contributions.

29. In addition to the requirements prescribed in section 14 of the Act, the text of a flexible pension plan shall provide as follows:

(1) the right of members to pay optional ancillary contributions to the plan as well as the conditions and time periods applicable to such right;

(2) the nature of the optional ancillary benefits that the member may choose, the methods and time periods applicable to such choice as well as the method for calculating such benefits and the conditions applicable to their formation;

(3) the rights of the member arising from the optional ancillary contributions that he has paid are limited to the value of the optional ancillary benefits which, under the provisions of the plan, are recognized for him.

The plan text shall also contain, on its title page or cover, the following mention: "Flexible pension plan exempted from the application of certain provisions of the Supplemental Pension Plans Act".

30. For the purposes of this division, section 87 of the Act shall be applied in such a way that the optional ancillary contributions not yet converted into optional ancillary benefits are deemed to have been converted on the day preceding the death of the member. This presumption shall, moreover, have the effect of resulting in the greatest increase in the member's pension based on the options available under the plan. Furthermore, the pension payable to the member's spouse shall be determined by supposing that the member was, before his death, receiving the pension resulting from the said conversion.

31. Subparagraphs 1 and 2 of section 19 of the Act may not be applied to an amendment intended to exempt a plan from the application of the provisions of the Act referred to in section 28. Moreover, section 30 of the Act may not be applied to the registration of such amend-

ment nor to the registration of a plan referred to in this division.

32. Any employer who is a party to a flexible pension plan shall undertake, in writing, to pay, in a lump sum, to each member who is his employee, a sum equal to the balance of the optional ancillary contributions account, to the extent that the provisions of the plan no longer allow the formation of benefits with all or part of the said balance. The balance is equal to the difference, on the date of the conversion of the optional ancillary contributions into optional ancillary benefits, between the value of the said contributions and the value of the benefits arising from an option of the member or the application of subparagraph 4 of section 28 or section 30. The value of the optional ancillary benefits shall be calculated by using the assumptions referred to in section 33.

The undertaking referred to in the first paragraph shall be sent to the pension committee, which shall attach a copy thereof to the application submitted to the Régie, in accordance with section 24 of the Act, for the registration of a plan referred to in this section or an amendment intended to exempt a plan from the application of the provisions of the Act referred to in section 28. A copy of the undertaking as well as a notice mentioning the time limit provided for in subparagraph 3 of section 29 shall also be attached to the documents sent to the members and to the employees eligible for membership in accordance with section 111 of the Act. The said notice shall also mention that in the event of the member's death, payment shall be made to his spouse, or in the absence of a spouse, to his assigns. For the application of this section, the spouse of a member is the person who meets the conditions provided for in section 85 of the Act.

Subject to section 45.1, the balance of the optional ancillary contributions account shall bear interest, between the dates of its determination and its payment, at the rate applicable to additional voluntary contributions in accordance with section 44 of the Act. The member may request payment of the sum corresponding to the said balance from the date of its determination. When the employer has made the payment required under this section, the balance of the optional ancillary contributions account is nil.

33. The value of the optional ancillary benefits shall be calculated by using the following assumptions:

(1) where the conversion is made in application of subparagraph 4 of section 28, assumptions and methods identical to those adopted by the Council of the Canadian Institute of Actuaries on 13 July 1993, which are

described in part D of section 2 and in section 3 of the Institute's standard of practice concerning recommendations for the calculation of transfer values for registered pension plans;

(2) in all other cases, the same assumptions as those referred to in subparagraph 1 but by replacing in the standard of practice the reference to the second calendar month preceding the date of the calculation by a reference to the average rate for the second to thirteenth months preceding the said date.

34. In addition to the provisions of section 13 of the Regulation respecting supplemental pension plans, the application for registration of a pension plan subject to this section shall be accompanied with a fee of \$1000. Section 14 of the Regulation shall apply in case of default of payment of the said fee.

The application for registration of an amendment intended to exempt a plan from the application of the provisions of the Act referred to in section 28 shall also be accompanied with a fee of \$1000.

35. The annual statement referred to in section 112 of the Act and sent to an active member who has already made optional ancillary contributions shall contain, in addition to the information provided for in subparagraphs 1 to 10 and 12 to 17 of section 57 of the Regulation respecting supplemental pension plans, the following information:

(1) the optional ancillary contributions and the other additional voluntary contributions recorded separately to the account of the member in the course of the fiscal year as well as the accumulated total, from his joining the plan, of the said contributions with interest at the end of the said fiscal year;

(2) where the member has already exercised options as to optional ancillary benefits, the nature of the benefits chosen;

(3) where circumstances warrant, the balance of the optional ancillary contributions account on the date of the end of the fiscal year, determined by supposing that the member ceased to be an active member, that he exercised his transfer right on that date and that the optional ancillary contributions have been converted at the maximum value among the options available under the plan;

(4) an estimate of the maximum optional ancillary contribution that may be made to the plan for the next fiscal year.

36. The statement provided for in the first paragraph of section 113 of the Act shall, in the case of a member who has already made optional ancillary contributions, include, in addition to the information mentioned in the said paragraph, the following information:

(1) the information provided for in subparagraphs 2 to 5 of section 58 of the Regulation respecting supplemental pension plans;

(2) for the period elapsed since the end of the fiscal year covered by the last annual statement sent to the member concerned to the date on which he ceased to be an active member, the information provided for in subparagraphs 1 to 10, 12, 13 and 15 of section 57 of the Regulation respecting supplemental pension plans.

(3) the information provided for in subparagraphs 1 and 2 of section 35;

(4) where circumstances warrant, the balance of the optional ancillary contributions account on the date on which the member ceases to be an active member, determined by supposing that he exercised his transfer right on that date, that the optional ancillary contributions have been converted at the highest value among the options available under the plan and a mention that a sum equal to the said balance must be paid by the employer in accordance with the written undertaking prescribed in section 32.”.

2. This Regulation comes into force on the fifteenth day following its publication in the *Gazette officielle du Québec*.

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