

Treasury Board

Gouvernement du Québec

T.B. 202419, 24 May 2005

An Act respecting the Pension Plan of Certain Teachers (R.S.Q., c. R-9.1; 2004, c. 39)

An Act respecting the Government and Public Employees Retirement Plan (R.S.Q., c. R-10; 2002, c. 30; 2004, c. 39)

An Act respecting the Teachers Pension Plan (R.S.Q., c. R-11; 2002, c. 30; 2004, c. 39)

An Act respecting the Civil Service Superannuation Plan (R.S.Q., c. R-12; 2004, c. 39)

Pension plans of the public and parapublic sectors — Various regulations — Amendments

Regulation to amend various regulations under the pension plans of the public and parapublic sectors

WHEREAS, under section 41.8 of the Act respecting the Pension Plan of Certain Teachers (R.S.Q., c. R-9.1), section 134 of the Act respecting Government and Public Employees Retirement Plan (R.S.Q., c. R-10), section 73 of the Act respecting the Teachers Pension Plan (R.S.Q., c. R-11) and section 109 of the Act respecting the Civil Service Superannuation Plan (R.S.Q., c. R-12), amended respectively by sections 74, 137, 195 and 211 of the Act to amend the Act respecting the Pension Plan of Peace Officers in Correctional Services and other legislative provisions (2004, c. 39), the Government may, by regulation and after the Commission administrative des régimes de retraite et d'assurances has consulted the pension committee referred to in section 163 of the Act respecting the Government and Public Employees Retirement Plan, make regulations under the Acts respecting those plans;

WHEREAS the Government made the Regulation respecting the application of the Act respecting the Pension Plan of Certain Teachers by Order in Council 708-94 dated 18 May 1994 and its subsequent amendments, the

Regulation under the Act respecting the Government and Public Employees Retirement Plan by Order in Council 1845-88 dated 14 December 1988 and its subsequent amendments, the Regulation under the Act respecting the Teachers Pension Plan by Conseil du trésor Decision T.B. 169291 dated 29 November 1988 and its subsequent amendments and the Regulation under the Act respecting the Civil Service Superannuation Plan by Conseil du trésor Decision T.B. 16292 dated 29 November 1988 and its subsequent amendments;

WHEREAS it is expedient to amend those Regulations;

WHEREAS the pension committee has been consulted;

WHEREAS, under section 181 of the Act to amend the pension plans of the public and parapublic sectors (2002, c. 30), the first regulation made under section 59 of that Act may, if it so provides, have effect from 1 January 2000 and may have effect with respect to pensions payable from that date;

WHEREAS, under section 182 of that Act, the first regulations made under sections 30, 35, 37, 50, 77 and 94 of that Act may have effect, if they so provide, from 1 June 2001;

WHEREAS, under section 40 of the Public Administration Act (R.S.Q., c. A-6.01), the Conseil du trésor shall, after consulting the Minister of Finance, exercise the powers conferred on the Government by an Act that establishes a pension plan applicable to personnel of the public and parapublic sectors, except certain powers;

WHEREAS the Minister of Finance has been consulted;

THEREFORE, THE CONSEIL DU TRÉSOR DECIDES:

THAT the Regulation to amend various regulations under the pension plans of the public and parapublic sectors, attached hereto, is hereby made.

SERGE MARTINEAU,
Clerk of the Conseil du trésor

Regulation to amend various regulations under the pension plans of the public and parapublic sectors

An Act respecting the Pension Plan of Certain Teachers*
(R.S.Q., c. R-9.1, s. 41.8, pars. 6 and 7; 2004, c. 39, s. 74)

An Act respecting the Government and Public Employees Retirement Plan**
(R.S.Q., c. R-10, s. 134, 1st par., subpars. 4, 4.0.1, 4.2, 16.1, 17, 20, 22.2 to 22.4 and 24; 2002, c. 30, ss. 181 and 182; 2004, c. 39, s. 137, pars. 10 and 11)

An Act respecting the Teachers Pension Plan***
(R.S.Q., c. R-11, s. 73, pars. 3.1, 3.2, 4 and 4.0.1; 2002, c. 30, s. 182; 2004, c. 39, s. 195, par. 1)

An Act respecting the Civil Service Superannuation Plan****
(R.S.Q., c. R-12, s. 109, pars. 2, 3.1, 8.7 and 8.8; 2002, c. 30, s. 182; 2004, c. 39, s. 211)

1. Section 1 of the Regulation respecting the application of the Act respecting the Pension Plan of Certain Teachers is amended

(1) by inserting “in which the employee was not a member of a pension plan within the meaning of the Income Tax Act (Statutes of Canada)” in the first paragraph after “1990”;

(2) by replacing “(Statutes of Canada) for the year in which the redemption proposal is made to the employee” in the first paragraph by “(Statutes of Canada) for the year in which the application for redemption is received at the Commission administrative des régimes de retraite et d’assurances”;

(3) by replacing “applicable for the year in which the redemption proposal is made to the employee” in the first paragraph by “applicable for the year in which the application for redemption is received at the Commission”.

2. Section 2 is amended by replacing “parts of years prior 1 January 1990 that were” in the first paragraph by “parts of a year prior to 1 January 1990 in which the employee was not a member of a pension plan within the meaning of the Income Tax Act (Statutes of Canada) and that were”.

3. Section 3 is amended by replacing “, except those during which he is eligible for salary insurance and those” in the first paragraph by “after 31 December 1991, except the periods during which the employee is exempt from any contribution under section 21 or 21.1 of the Act respecting the Government and Public Employees Retirement Plan, to which section 9 of the Act refers, and the periods”.

4. The heading of Division III of Chapter I of the Regulation under the Act respecting the Government and Public Employees Retirement Plan is replaced by the following:

“BASIC SALARY AND PENSIONABLE SALARY
(s. 134, subpars. 4 and 4.0.1)”.

5. The Regulation is amended by inserting the following after section 8:

“**8.0.1.** For the purposes of the first paragraph of section 17.2 of the Act, in the case where a application for redemption of a period of absence without pay in respect of a year or part of a year of service after 1992 is received at the Commission more than six months after the end of the period of absence, the pensionable salary of the employee corresponds to the annual basic salary to which the employee would have been entitled under the conditions of employment applicable on the last day the employee is a member of the plan for that year,

* The Regulation respecting the application of the Act respecting the Pension Plan of Certain Teachers, made by Order in Council 708-94 dated 18 May 1994 (1994, *G.O.* 2, 2046), was last amended by the regulation made by Conseil du trésor Decision T.B. 200380 dated 11 November 2003 (2003, *G.O.* 2, 3365).

** The Regulation under the Act respecting the Government and Public Employees Retirement Plan, made by Order in Council 1845-88 dated 14 December 1988 (1988, *G.O.* 2, 4154), was last amended by the regulation made by Order in Council 4-2005 dated 19 January 2005 (2005, *G.O.* 2, 469).

*** The Regulation under the Act respecting the Teachers Pension Plan, made by Conseil du trésor Decision T.B. 169291 dated 29 November 1988 (1988, *G.O.* 2, 4085), was last amended by the regulation made by Conseil du trésor Decision T.B. 200522 dated 16 December 2003 (2004, *G.O.* 2, 23).

**** The Regulation under the Act respecting the Civil Service Superannuation Plan, made by Conseil du trésor Decision T.B. 169292 dated 29 November 1988 (1988, *G.O.* 2, 4088), was last amended by the regulation made by Conseil du trésor Decision T.B. 200523 dated 16 December 2003 (2004, *G.O.* 2, 23).

For previous amendments, refer to the *Tableau des modifications et Index sommaire*, Québec Official Publisher, 2005, updated to 1 March 2005.

according to the number of days and parts of a day to be redeemed out of the pensionable days, according to the basis of remuneration applicable.”.

6. Division III.1 of Chapter 1 is revoked.

7. The Regulation is amended by inserting the following division after section 8.2:

**“DIVISION III.2
REDEMPTION OF YEARS OF SERVICE
(s. 134, subpar. 4.2)**

8.3. For the purposes of the second paragraph of sections 25 and 115.1 of the Act, the amount required of the employee to pay the cost of redemption is established in accordance with the tariff in Schedule 0.I.

8.4. In the case where the employee is not receiving a salary on the date the Commission receives the application for redemption referred to in the second paragraph of section 25 of the Act, the tariff applies to the annual pensionable salary that would have been paid to the employee on that date under the conditions of employment that would have applied if the employee had continued to hold, up to that date, the employment held on the last day of service credited.

If that employment no longer exists with the employer, the tariff applies to the annual pensionable salary the employee was receiving on the last day of service credited, increased by the percentage increase of the salary scales provided for in the conditions of employment applicable to employment in the same class with an employer whose conditions of employment are governed by the Act respecting the process of negotiation of the collective agreements in the public and parapublic sectors (R.S.Q., c. R-8.2) between the last day and the day the employee’s application for redemption is received at the Commission.

8.5. Section 8.4 applies, with the necessary modifications, to establish the pensionable salary of an employee to whom any of the situations referred to in the third paragraph of section 115.1 of the Act applies.”.

8. Section 35.2 is replaced by the following:

“35.2. For the purposes of the first paragraph of section 147.0.3 of the Act, the rates of interest are the rates that apply to a reimbursement of contributions or, where applicable, the employee’s contributions established,

(1) in Schedule VI to the Act, in the case of the Government and Public Employees Retirement Plan, a pension plan that refers to the interest of the Govern-

ment and Public Employees Retirement Plan or a pension plan that does not provide for a rate of interest for such a reimbursement;

(2) in Schedule VII to the Act respecting the Pension Plan of Management Personnel and the rates to which section 406 of that Act refers, in the case of the Pension Plan of Management Personnel; or

(3) by the pension plans concerned, in the case of the other pension plans administered by the Commission.

If the pension plan does not prescribe a rate of interest for such a reimbursement for any period prior to 1 July 1973, the rate is established at 5% per year.”.

9. The Regulation is amended by inserting the following after section 38:

“38.0.1. The amount of the first monthly benefit paid to the pensioner is equal to the amount R in the following formula:

$$P \times 12 \times \frac{(365 - N)}{365} - (P \times M) = R, \text{ where}$$

P = is the monthly benefit;

N = is the number of days between the beginning of the year of the benefit payment and the date of the beginning of that payment;

M = is the number of complete months in the period between the date of the beginning of the payment of the benefit and the end of the year.”.

10. Section 42 is replaced by the following:

“42. In respect of pension plans administered by the Commission, except the Pension Plan of Management Personnel, any contribution instalment or contributory amount that the employer fails to pay to the Commission on the 15th day of the month bears interest, compounded annually, from that date, at the rates in Schedule VI to the Act. For a period or part of a period indicated in that Schedule, if the rate in that Schedule is lower than the rate in Schedule VII to the Act, the latter rate applies.

In the case of the Pension Plan of Management Personnel, the first paragraph applies at the rates in Schedule VII to the Act respecting the Pension Plan of Management Personnel. For a period or part of a period indicated in that Schedule, if the rate in that Schedule is lower than the rate in Schedule VIII to the Act, the latter rate applies.”.

11. The second paragraph of section 43 is replaced by the following:

“Any sum unpaid after 30 days shall bear interest, compounded annually, at the rate in Schedule VII to the Act and, for the Pension Plan of Management Personnel, at the rate in Schedule VIII to the Act respecting the Pension Plan of Management Personnel, in force on the date of the statement and calculated from that date.”

12. Division III of Chapter II is revoked.

13. Section 46.1 is amended

(1) by inserting “in which the employee was not a member of a pension plan within the meaning of the Income Tax Act (Statutes of Canada)” in the first paragraph after “1990”;

(2) by replacing the words “redemption proposal is made to the employee” wherever they appear in the first paragraph by “the application for redemption is received at the Commission”.

14. Section 46.2 is amended by replacing “that were” in the first paragraph by “in which the employee was not a member of a pension plan within the meaning of the Income Tax Act (Statutes of Canada) and that were”.

15. The heading of Division V of Chapter II is replaced by the following:

“PERIODS OF ABSENCE THAT MAY BE CREDITED UNDER THE GOVERNMENT AND PUBLIC EMPLOYEES RETIREMENT PLAN (s. 134, par. 22.3)”

16. Section 46.3 is amended by replacing “, except those during which he is eligible for salary insurance and those” in the first paragraph by “after 31 December 1991, except the periods during which the employee is exempt from any contribution under section 21 or 21.1 of the Act and the periods”.

17. The Regulation is amended by inserting the following after section 46.3:

“**46.4.** An employee may have each period of absence without pay prior to 1 January 1990 credited under the plan, without exceeding two years of service except in the case of a period of absence related to total disability, educational leave, sabbatical leave, maternity leave, paternity leave or adoption leave.

46.5. Despite section 46.4, an employee may have each period of absence prior to 1 January 1990 credited under the plan, without exceeding three years of service, during which the employee held employment with the Government of Canada, the government of another province, a union, an association representing management personnel, a charitable organization or an educational institution if no contribution concerning that period has been accumulated in another plan.

DIVISION VI ESTABLISHMENT OF RATES OF INTEREST (s. 134, par. 22.4)

§1. Rates of interest based on the rates of return of certain funds

46.6. The annual rate of interest in Schedule VI to the Act is established by calculating the geometric mean of the annual rates of return for the three-year period ending on 31 December of the year preceding the reference year, according to the formula in Schedule V.

46.7. The annual rate of return is the rate determined by the Caisse de dépôt et placement du Québec as at 31 December of each year, taking into account the classes of amounts referred to in subparagraphs 1, 2 and 4 of the first paragraph of section 127 of the Act, for the specific fund of the Pension Plan of Management Personnel, after subtracting the management expenses.

§2. Rates of interest based on an external index

46.8. The annual rate of interest in Schedule VII to the Act is established as at 1 June of each year. It is equal to the arithmetic mean, for the 12-month period ending on 31 December of the preceding year, of the nominal rates of interest on negotiable bonds issued by the Government of Canada for a term of 3 to 5 years as compiled by Statistics Canada and published in the *Bank of Canada Review* under the identification No. V-122485 in the CANSIM System.”

18. Section 49 is amended by replacing “115.7 and 158 of the Act” by “109.2, 109.8 and 158 of the Act”.

19. Section 50 is replaced by the following:

“**50.** Interest is computed at the rates in Schedules VI and VII to the Act, according to the periods of application of those rates provided for in the sections concerned in the Act. Where the sections do not provide the date on which interest ceases to accrue, the interest is computed up to the date of the reimbursement of the contributions.”

20. The Regulation is amended by inserting the following before Schedule I:

“SCHEDULE 0.I

(s. 8.3)

TARIFF APPLICABLE TO PAY THE COST OF REDEMPTION OF SERVICE

1- Redemption of a period of absence without pay

(a) under sections 24 and 24.0.2 of the Act;

(b) under section 21.0.1 of the Act respecting the Teachers Pension Plan in respect of a period of absence that began after 15 July 1970 and ended before 1 July 1983 or, in the case of an absence to pursue specialized studies, in respect of a period of absence that began after 30 June 1965 and ended before 1 July 1973;

(c) under section 66.1.0.1 of the Act respecting the Civil Service Superannuation Plan in respect of a period of absence that began after 12 June 1969 and ended before 1 July 1983.

Period of service covered by the redemption	Age of the employee on the date the application for redemption is received			
	Less than 40 years of age	Between 40 and 47 years of age	Between 48 and 54 years of age	55 years of age or over
Prior to 1 July 1982	10.5%	13.5%	17%	21%
After 30 June 1982 and prior to 1 January 2000	8.5%	11%	14%	17%
After 31 December 1999	9%	11.5%	14.5%	18%

2 – Redemption of a period of absence without pay

(a) under section 21.0.1 of the Act respecting the Teachers Pension Plan or section 66.1.0.1 of the Act respecting the Civil Service Superannuation Plan, in respect of a period of absence in progress on 1 July 1983 or that began after that date but before 1 January 2002;

(b) under section 21 of the Act respecting the Teachers Pension Plan or section 66.1 of the Act respecting the Civil Service Superannuation Plan, in respect of a period of absence that began after 31 December 2001.

Period of service covered by the redemption	Age of the employee on the date the application for redemption is received			
	Less than 40 years of age	Between 40 and 47 years of age	Between 48 and 54 years of age	55 years of age or over
Prior to 1 July 1982	5.25%	6.75%	8.5%	10.5%
After 30 June 1982 and prior to 1 January 2000	4.25%	5.5%	7%	8.5%
After 31 December 1999	4.5%	5.75%	7.25%	9%

3 - Redemption under section 115.1 of the Act of a period of service performed by a casual employee

Period of service covered by the redemption	Age of the employee on the date the application for redemption is received			
	Less than 40 years of age	Between 40 and 47 years of age	Between 48 and 54 years of age	55 years of age or over
Prior to 1 July 1982	4.37%	5.62%	7.08%	8.75%
After 30 June 1982	4.25%	5.5%	7%	8.5%

21. Schedule IV is revoked.

22. Section 3.1 of the Regulation under the Act respecting the Teachers Pension Plan is amended

(1) by inserting “in which the teacher was not a member of a pension plan within the meaning of the Income Tax Act (Statutes of Canada)” in the first paragraph after “1990”;

(2) by replacing “(Statutes of Canada) for the year in which the redemption proposal is made to the teacher” in the first paragraph by “(Statutes of Canada) for the year in which the application for redemption is received at the Commission administrative des régimes de retraite et d’assurances”;

(3) by replacing “applicable for the year in which the redemption proposal is made to the teacher” in the first paragraph by “applicable for the year in which the application for redemption is received at the Commission”.

23. Section 3.2 is amended by replacing “parts of years prior to 1 January 1990 that were” in the first paragraph by “parts of a year prior to 1 January 1990 in which the teacher was not a member of a pension plan within the meaning of the Income Tax Act (Statutes of Canada) and that were”.

24. Section 3.3 is amended by replacing “, except those during which he is eligible for salary insurance and those” in the first paragraph by “after 31 December 1991, except the periods during which the teacher is exempt from any contribution under section 18 or 18.1 of the Act and the periods”.

25. The heading of Chapter IV is replaced by the following:

“BASIC SALARY AND PENSIONABLE SALARY
(s. 73, pars. 4 and 4.0.1)”.

26. The Regulation is amended by inserting the following after section 4:

“**4.1.** For the purposes of the first paragraph of section 14.1 of the Act, in the case where an application for redemption of a period of absence without pay in respect of a year or part of a year of service after 1992 is received at the Commission more than six months after the end of the period of absence, the pensionable salary of the teacher corresponds to the annual basic salary to which the teacher would have been entitled under the conditions of employment applicable on the last day the teacher is a member of the plan for that year, according to the number of days and parts of a day to be redeemed out of the pensionable days, according to the basis of remuneration applicable.”.

27. The heading of Chapter II of the Regulation under the Act respecting the Civil Service Superannuation Plan and the reference to that heading are replaced by the following:

“BASIC SALARY AND PENSIONABLE SALARY
(s. 109, pars. 2 and 3.1)”.

28. The Regulation is amended by inserting the following after section 2:

“**2.1.** For the purposes of the first paragraph of section 61.1 of the Act, in the case where an application for redemption of a period of absence without pay in respect of a year or part of a year of service after 1992 is received at the Commission more than six months after the end of the period of absence, the pensionable salary of the civil servant corresponds to the annual basic salary to which the civil servant would have been entitled

under the conditions of employment applicable on the last day the civil servant is a member of the plan for that year, according to the number of days and parts of a day to be redeemed out of the pensionable days, according to the basis of remuneration applicable.”.

29. Section 8.5 is amended

(1) by inserting “in which the civil servant was not a member of a pension plan within the meaning of the Income Tax Act (Statutes of Canada)” in the first paragraph after “1990”;

(2) by replacing “(Statutes of Canada) for the year in which the redemption proposal is made to the civil servant” in the first paragraph by “(Statutes of Canada) for the year in which the application for redemption is received at the Commission administrative des régimes de retraite et d’assurances”;

(3) by replacing “applicable for the year in which the redemption proposal is made to the civil servant” in the first paragraph by “applicable for the year in which the application for redemption is received at the Commission”.

30. Section 8.6 is amended by replacing “parts of years prior to 1 January 1990 that were” in the first paragraph by “parts of a year prior to 1 January 1990 in which the civil servant was not a member of a pension plan within the meaning of the Income Tax Act (Statutes of Canada) and that were”.

31. Section 8.7 is amended by replacing “, except those during which he is eligible for insurance salary and those” in the first paragraph by “after 31 December 1991, except for the periods during which the civil servant is exempt from any contribution under section 60 or 60.0.1 of the Act and the periods”.

32. Section 38.0.1 of the Regulation under the Act respecting the Government and Public Employees Retirement Plan, made by section 9 of this Regulation, applies in respect of pension plans that began to be paid after 31 December 1999.

33. This Regulation comes into force on the date it is made by the Government. However, sections 9 and 32 have effect from 1 January 2000, sections 4 to 7, 20 and 25 to 28 have effect from 1 June 2001, and sections 8 and 10 to 12 and section 17, to the extent that it enacts Division VI of the Regulation under the Act respecting the Government and Public Employees Retirement Plan, and sections 18 and 19 come into force on 1 June 2005.