

Gouvernement du Québec

T.B. 202420, 24 May 2005

An Act respecting the Pension Plan of Management Personnel (R.S.Q., c. R-12.1; 2001, c. 31; 2002, c. 30; 2004, c. 39)

Regulation

Regulation under the Act respecting the Pension Plan of Management Personnel

WHEREAS, under the first paragraph of section 196 of the Act respecting the Pension Plan of Management Personnel (R.S.Q., c. R-12.1), amended by section 263 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, after the Commission administrative des régimes de retraite et d'assurances has consulted the Comité de retraite referred to in section 173.1 of the Act respecting the Government and Public Employees Retirement Plan (R.S.Q., c. R-10), make a regulation for the application of the Act respecting the Pension Plan of Management Personnel;

WHEREAS the Conseil du trésor made the Regulation under the Act respecting the Pension Plan of Management Personnel by Decision T.B. 197329 dated 27 November 2001 and its subsequent amendments;

WHEREAS it is expedient to replace the Regulation;

WHEREAS, under section 405 of the Act respecting the Pension Plan of Management Personnel (2001, c. 31), the first regulation made under paragraph 23 of section 196 of that Act may, where it so provides, have effect from 1 January 2001;

WHEREAS, under section 183 of the Act to amend the pension plans of the public and parapublic sectors (2002, c. 30), the first regulations made under sections 124, 127, 129 and 145 of that Act may have effect, if they so provide, from 1 July 2002;

WHEREAS, under section 287 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 first regulation made under subparagraph 2.1 of the first paragraph of section 196 of the Act respecting the Pension Plan of Management Personnel after the coming into force of that Act may have effect from 1 January 2005;

WHEREAS the Comité de retraite has been consulted;

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 under the Act respecting the Pension Plan of Management Personnel, attached hereto, is hereby made.

SERGE MARTINEAU,
Clerk of the Conseil du trésor

Regulation under the Act respecting the Pension Plan of Management Personnel*

An Act respecting the Pension Plan of Management Personnel (R.S.Q., c. R-12.1, s. 196, 1st par., subpars. 2.1, 4, 4.1, 5.1, 8, 18 and 22 to 24; 2001, c. 31, s. 405; 2002, c. 30, s. 183; 2004, c. 39, s. 263, pars. 4 and 5 and s. 287)

DIVISION 1
PERSON TEMPORARILY HOLDING
NON-UNIONIZABLE EMPLOYMENT, WITH
THE CORRESPONDING CLASSIFICATION
(s. 196, 1st par., subpar. 2.1)

1. For the purposes of subparagraph 8 of the first paragraph of section 3 of the Act, a person temporarily holds non-unionizable employment with the corresponding classification when holding the employment

(1) to fill a vacant position temporarily or on an interim basis;

* The Regulation under the Act respecting the Pension Plan of Management Personnel, made by Conseil du trésor Decision T.B. 197329 dated 27 November 2001 (2001, *G.O.* 2, 6317), was last amended by the regulations made by Conseil du trésor Decisions T.B. 201890 dated 18 January 2005 (2005, *G.O.* 2, 477) and T.B. 201902 dated 25 January 2005 (2005, *G.O.* 2, 529). For previous amendments, refer to the *Tableau des modifications et Index sommaire*, Québec Official Publisher, 2005, updated to 1 March 2005.

(2) to lighten a heavy workload, or as a non-permanent or seasonal employee;

(3) to perform work of a casual or cyclical nature, or to carry out a specific mandate having a fixed term;

(4) to replace an employee contemplated by the Pension Plan for Management Personnel, during that employee's absence; or

(5) for a fixed term, following an elective term in a labour organization, namely a union, a federation, a central union or an association representing unionizable employees within the meaning of the Act respecting Government and Public Employees Retirement Plan (R.S.Q., c. R-10).

DIVISION II BASIC SALARY AND PENSIONABLE SALARY (s. 196, 1st par., subpars. 4 and 4.1)

2. The basic salary includes

(1) any lump sum paid to an employee as part of the measures designed to protect the employee's salary following reassignment, career reorientation, demotion or other similar event, to compensate for a decrease in the employee's previous basic salary;

(2) any lump sum paid to an employee as part of the measures designed to guarantee the employee a percentage increase in the employee's basic salary during periodic salary reviews;

(3) any additional remuneration paid to an employee who is a member of the Ordre des infirmières et infirmiers du Québec having already reached the maximum of the salary scale, following recognized post-school training in nursing care in accordance with the provisions of the collective labour agreement applying to the employee;

(4) the lump sum paid to an employee, under an agreement concerning the extension of the collective labour agreements ending on 30 June 2002 or under conditions of employment arising from the agreements or established on the basis of the same parameters, that corresponds to a percentage of the basic salary of the employee.

3. For the purposes of the first paragraph of section 28.1 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

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, 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.

DIVISION III REDEMPTION OF A YEAR OF SERVICE (s. 196, 1st par., subpar. 5.1)

4. For the purposes of the second paragraph of sections 39 and 146 of the Act, the amount required of the employee to pay the cost of redemption is established in accordance with the tariff in Schedule I.

5. In the case where the employee is not receiving a salary on the date the Commission administrative des régimes de retraite et d'assurances receives the application for redemption referred to in the second paragraph of section 39 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 scale provided for in the conditions of employment applicable to class 4 public service management personnel positions between that last day and the day the application for redemption is received at the Commission.

6. Section 5 applies, with the necessary modifications, to establish the pensionable salary of the employee to whom any of the situations referred to in the third paragraph of section 146 of the Act applies.

DIVISION IV LIMITS TO ADDED PENSION AMOUNTS (s. 196, 1st par., subpar. 8)

7. For the purposes of sections 104 and 105 of the Act, the sum of the amounts that employees may add to their pensions may not exceed the amount "M" that corresponds to the lesser of "M₁" and "M₂" in the following formulas:

$$M_1 = (F \times N_L \times 2.0\% \times TM) - CR_{RR}$$

$$M_2 = F \times N \times (1.1\% \times TM + \$230)$$

8. The amount added to an employee's pension corresponds to the sum of the following amounts:

(1) the amount "MO" that corresponds to the lesser of "MO₁" and "MO₂" in the following formulas:

i. $MO_1 = [N_L \times [(F \times 2.0\% \times TM) - (0.7\% \times (\text{the lesser of } TM \text{ and } MGA))]] - CR_{RR}$

ii. $MO_2 = F \times N \times 1.1\% \times TM$

(2) an amount equal to the difference between the amount "M" determined in section 7 and the amount "MO" determined in paragraph 1, if the employee is under 65 years of age when the pension becomes payable. The amount is paid until the end of the month in which the pensioner reaches 65 years of age.

9. For the purposes of sections 7 and 8,

CR_{RR} is

(1) the amount of the pension credit on the date of retirement, including the increase referred to in sections 89 and 107.1 of the Act respecting the Government and Public Employees Retirement Plan (R.S.Q., c. R-10) and takes into account any applicable actuarial reduction or the increase provided for in section 93 of that Act;

(2) the amount of the paid-up annuity certificate indicated on the statement of benefits, taking into account, if applicable, an actuarial reduction of 0.5% per month computed for each month between the date of retirement and the employee's sixty-fifth birthday;

(3) the value of the pension credit attributed to the sums corresponding to the years and parts of a year recognized for the purposes of eligibility and transferred into a locked-in retirement account (LIRA) calculated as follows:

(balance of the LIRA on the date of designation of the employer in Schedule I of the Act respecting the Government and Public Employees Retirement Plan or Schedule II of the Act respecting the Pension Plan of Management Personnel x (5))

(value of a \$10 annual pension credit payable monthly as of age 65 according to Schedule V of the Act respecting the Government and Public Employees Retirement Plan and taking into account the employee's age on the date of designation of the employer in the applicable Schedule).

The value of the pension credit attributed must include the rate of any increase referred to in section 89 of that Act between the date of designation of the employer in the applicable Schedule and the date of retirement, and take into account, if applicable, an actuarial reduction of 0.5% per month calculated for each month between the date of retirement and the person's sixty-fifth birthday;

F is 1 minus the percentage of actuarial reduction applicable to the employee's pension;

MGA is the average maximum pensionable earnings within the meaning of the Act respecting the Québec Pension Plan (R.S.Q., c. R-9);

N is the number of years and parts of a year referred to in paragraphs 1 to 3 of section 104 of the Act;

N_L is the minimum between N and 35 minus the number of years of service credited to the plan;

TM is the average pensionable salary determined in accordance with section 52 of the Act.

10. The limits provided for in this Division must not operate to exceed the limits allowable under the Income Tax Act (R.S.C. 1985, c. 1, 5th Supplement).

DIVISION V CONTRIBUTIONS

(s. 196, 1st par., subpar. 18)

11. From 1 January 2005, the annual deduction prescribed by section 41 of the Act is equal to 7.78% of the portion of pensionable salary exceeding 35% of the maximum pensionable earnings within the meaning of the Act respecting the Québec Pension Plan (R.S.Q., c. R-9).

DIVISION VI LIMIT APPLICABLE TO THE PENSIONABLE SALARY, AND RULES AND PROCEDURES FOR COMPUTING THE PENSION

(s. 196, 1st par., subpar. 22)

12. The pensionable salary, for the purpose of establishing the cost of redeeming 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), must not exceed the amount "M" in the following formula:

$$A + \frac{(0.7\% \times B)}{2\%} = M$$

“A” is 2/3 of the greater of \$1,725.00 and the limit of the determined benefits applicable under the Income Tax Act (Statutes of Canada) for the year in which the application for redemption is received at the Commission;

“B” is the part of the pensionable salary that does not exceed the maximum pensionable earnings within the meaning of the Act respecting the Québec Pension Plan (R.S.Q., c. R-9) and that is applicable for the year in which the application for redemption is received at the Commission.

The pensionable salary, for the purpose of establishing the cost of redeeming part of a year prior to 1 January 1990, must be divided by the credited service being redeemed and the amount resulting from that division must not exceed the amount “M” in the first paragraph.

13. If the employee retires on the date of the employee’s sixty-fifth birthday or after that date, the part of the pension related to years or 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 redeemed may not exceed the amount obtained by multiplying 2/3 of the greater of \$1,725.00 and the limit of the determined benefits applicable for the year of retirement under the Income Tax Act (Statutes of Canada) by the number of years or parts of a year of service credited under the redemption.

If the employee retires before the date of the employee’s sixty-fifth birthday, the part of the pension related to those years or parts of a year may not exceed the amount obtained pursuant to the first paragraph, increased by the amount obtained by multiplying the amount calculated pursuant to section 57 of the Act by the fraction that the number of years or parts of a year of credited service being redeemed is of the number of years or parts of a year of credited service after 31 December 1965.

DIVISION VII
PERIODS OF ABSENCE THAT MAY BE
CREDITED UNDER THE PENSION PLAN
OF MANAGEMENT PERSONNEL
(s. 196, 1st par., subpar. 23)

14. The periods during which an employee is absent after 31 December 1991, except the periods during which the employee is exempt from any contribution under section 34 or 35 of the Act and the periods for which the Income Tax Act (Statutes of Canada) provides for the issue of an equivalence factor for past service, and that

may be credited under the Pension Plan of Management Personnel must not exceed a total of 5 years of service. In cases of maternity, paternity or adoption leave, that total may be increased by not more than 3 years of service.

For the purposes of the first paragraph, a period of absence corresponds to the difference between the service credited under the Pension Plan of Management Personnel and the service that would have been credited under that plan in proportion to the salary received by the employee. For the purposes of that paragraph, maternity, paternity or adoption leave constitutes all or part of a period beginning at the time of birth or adoption of a child and ending not later than 12 months after any of those events.

15. 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.

16. Despite section 15, 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 VIII
ESTABLISHMENT OF RATES OF INTEREST
(s. 196, 1st par., subpar. 23.1)

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

17. The annual rate of interest in Schedule VII 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 II.

18. 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 177 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

19. The annual rate of interest in Schedule VIII 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.

DIVISION IX

COMPUTATION OF INTEREST

(s. 196, 1st par., subpar. 24)

20. The contributions within the meaning of section 73 of the Act that the employee had paid into a pension plan from which service has been transferred to the Pension Plan of Management Personnel pursuant to sections 138.1, 138.7 and 203 of the Act, bear interest as of the date of their transfer to that plan.

21. Interest is computed at the rates in Schedules VII and VIII 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.

DIVISION X

FINAL

22. This Regulation replaces the Regulation under the Act respecting the Pension Plan of Management Personnel made by Conseil du trésor Decision T.B. 197329 dated 27 November 2001.

23. This Regulation comes into force on the date it is made by the Government. However, section 14 has effect from 1 January 2001, sections 3 to 6 and Schedule 1 have effect from 1 July 2002, paragraph 5 of section 1 has effect from 1 January 2005 and Divisions VIII and IX come into force on 1 June 2005.

SCHEDULE I

(s. 4)

TARIFF APPLICABLE TO PAY THE COST OF REDEMPTION OF SERVICE

1. Redemption of a period of absence without pay under sections 38 and 118 of the Act

Period of service covered by the redemption	Age of the employee on the date 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	12.5%	16.0%	20.0%	24.5%
After 30 June 1982 and prior to 1 January 2000	10.0%	13.0%	16.5%	19.5%
After 31 December 1999	11.0%	14.0%	17.5%	21.0%

2. Redemption of a period of service accumulated by an employee hired as casual employee under section 146 of the Act

Period of service covered by the redemption	Age of the employee on the date 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	5.21%	6.67%	8.33%	10.21%
After 30 June 1982	5.0%	6.5%	8.25%	9.75%

SCHEDULE II

(s. 17)

RATE OF INTEREST

The formula for the computation of the rate of interest for the reference year is the following :

$$i_y = ((1 + T_{y,1}) (1 + T_{y,2}) (1 + T_{y,3}))^{1/3} - 1$$

where :

$T_{y,1}$: rate of return for the year preceding the reference year

$T_{y,2}$: rate of return for the year occurring 2 years before the reference year

$T_{y,3}$: rate of return for the year occurring 3 years before the reference year

6855

T.B. 202421, 24 May 2005

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

Application of Title IV.2 of the Act
— **Amendments**

Regulation to amend the Regulation respecting the application of Title IV.2 of the Act respecting the Government and Public Employees Retirement Plan

WHEREAS, under subparagraph 2 of the first paragraph of section 215.13 of the Act respecting the Government and Public Employees Retirement Plan (R.S.Q., c. R-10), the Government may, by regulation, determine measures to allow the transfer of the actuarial value of the benefits of a person entitled to a deferred pension ;

WHEREAS, under the first paragraph of section 215.17 of the Act, Government regulations under Title IV.2 shall be made after the Commission administrative des régimes de retraite et d'assurances has consulted with the pension committees referred to in sections 164 and 173.1 of the Act ;

WHEREAS the pension committees have been consulted ;

WHEREAS the Government made the Regulation respecting the application of Title IV.2 of the Act respecting the Government and Public Employees Retirement Plan by Order in Council 690-96 dated 12 June 1996 and its subsequent amendments ;

WHEREAS it is expedient to amend the Regulation ;

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 the Regulation respecting the application of Title IV.2 of the Act respecting the Government and Public Employees Retirement Plan, attached to this Decision, is hereby made.

SERGE MARTINAU,
Clerk of the Conseil du trésor

Regulation to amend the Regulation respecting the application of Title IV.2 of the Act respecting the Government and Public Employees Retirement Plan *

An Act respecting the Government and Public Employees Retirement Plan
(R.S.Q., c. R-10, s. 215.13, 1st par., subpar. 2 and s. 215.17)

1. Section 5 of the Regulation respecting the application of Title IV.2 of the Act respecting the Government and Public Employees Retirement Plan is amended by replacing the fourth paragraph by the following :

“The amount to which the first paragraph refers bears interest, compounded annually, at the rate determined in Schedule VII to the Act or, in the case of the Pension Plan of Management Personnel, at the rate determined

* The Regulation respecting the application of Title IV.2 of the Act respecting the Government and Public Employees Retirement Plan, made by Order in Council 690-96 dated 12 June 1996 (1996, *G.O.* 2, 2759), was last amended by the regulation made by Conseil du trésor Decision T.B. 201353 dated 6 July 2004 (2004, *G.O.* 2, 2349). For previous amendments, refer to the *Tableau des modifications et Index sommaire*, Québec Official Publisher, 2005, updated to 1 March 2005.