

Regulation respecting the determination of the rate of interest applicable to the retirement plan for the mayors and councillors of municipalities

An Act respecting retirement plans for the mayors and councillors of municipalities
(R.S.Q., c. R-16, s. 42, 1st par., subpar. a, and 2nd par.)

1. For the purposes of the Act respecting retirement plans for the mayors and councillors of municipalities (R.S.Q., c. R-16), the annual rate of interest is determined by computing 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 I. The first rate of interest determined applies from the first day of the month following the date of its publication in the *Gazette officielle du Québec* and, thereafter, as of 1 June of each year.

The annual rate of return is the rate determined by the Caisse de dépôt et placement du Québec on 31 December of each year for the specific fund of the retirement plan established by the Act respecting the Pension Plan of Elected Municipal Officers (R.S.Q., c. R-9.3), after deduction of the management expenses.

2. This Regulation replaces the Regulation on the setting of the interest rate, made by Order in Council 2507-83 dated 6 December 1983.

3. This Regulation comes into force on the first day of the month following the date of its publication in the *Gazette officielle du Québec*.

“SCHEDULE I COMPUTATION OF THE 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} is the rate of return for the year preceding the reference year

T_{y-2} is the rate of return for the year preceding the reference year by two years

T_{y-3} is the rate of return for the year preceding the reference year by three years.”.

Draft Regulation

An Act respecting retirement plans for the mayors and councillors of municipalities
(R.S.Q., c. R-16)

Mayors and councillors — Terms and conditions for computing pensions — Amendment

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 terms and conditions for computing pensions of mayors and councillors, the text of which appears below, may be made by the Government on the expiry of 45 days following this publication.

The purpose of the draft Regulation is to again amend the terms and conditions for computing pensions of mayors and councillors of municipalities by replacing, in the current formula, the rate of interest of 11% per year that applies for a period of ten years followed by a rate of 6% per year for subsequent years, by a flat rate of 6.5% per year for all the years.

The draft Regulation will not have any impact on businesses, including small and medium-sized businesses.

Further information may be obtained by contacting Marie-Claire Martineau, Direction des politiques fiscales et économiques, 10, rue Pierre-Olivier-Chauveau, Québec (Québec) G1R 4J3, telephone: (418) 691-2035; fax: (418) 643-3204.

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 Minister of Municipal Affairs and Regions at the above address.

NATHALIE NORMANDEAU,
Minister of Municipal Affairs and Regions

Regulation to amend the Regulation respecting terms and conditions for computing pensions of mayors and councillors*

An Act respecting retirement plans for the mayors and councillors of municipalities
(R.S.Q., c. R-16, s. 42, 1st par., subpar. *f* and 2nd par.)

1. The Regulation respecting terms and conditions for computing pensions of mayors and councillors is amended by replacing paragraph *a* of section 2 by the following:

“(a) effective from the date of computation of the pension, the interest applicable to the accrued sum is credited at a rate of 6.5% per year;”.

2. This Regulation comes into force on the date of its publication in the *Gazette officielle du Québec*.

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* The Regulation respecting terms and conditions for computing pensions of mayors and councillors (R.R.Q., 1981, c. R-16, r.6) has been amended once, by the regulation made by Order in Council 615-2002 dated 29 May 2002 (2002, *G.O.* 2, 2598).