

2. Section 9.2 is amended by replacing the fifth paragraph by the following:

“If the amount is paid by instalments, interest compounded annually is added that corresponds to the rate in force on the date of receipt of the notice, computed from the date of expiry of the redemption proposal made by the Commission. The rate of interest applicable as of 1 June of each year is determined by computing the arithmetical mean of the monthly rates, for the 12-month period ending on 31 December of the preceding year, that corresponds to the nominal rates on Government of Canada marketable bonds (3-5 years) published in the Bank of Canada Review (CANSIM Series B14010 (V122485)).”.

3. Schedule I is replaced by the following:

**“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.”.

4. Sections 1 and 3 have effect from 1 August 2004.

5. Section 2 has effect from the first day of the month following the date of coming into force of this Regulation.

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

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Draft Regulation

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

**Determination of the rate of interest
— Replacement**

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 respecting the determination of the rate of interest applicable to the retirement plan for the mayors and councillors of municipalities, the text of which appears below, may be made by the Government to replace the Regulation on the setting of the interest rate, on the expiry of 45 days following this publication.

The purpose of the draft Regulation is to propose new rules for computing the interest applicable under the Act respecting retirement plans for the mayors and councillors of municipalities and to replace the Regulation on the setting of the interest rate. The draft Regulation proposes that the rate of interest be determined by computing the geometric mean of the rates of return, determined by the Caisse de dépôt et placement du Québec, for the three-year period ending on 31 December of the year preceding the reference year. The first rate of interest is to be applicable from the first day of the month following the date of coming into force of the draft Regulation and, thereafter, as of 1 June of each year.

The draft Regulation will have no financial impact on enterprises, including small and medium-sized businesses.

Further information may be obtained by contacting Yves Slater, Acting Director, Direction de l'actuariat, du développement et de la planification stratégique, Commission administrative des régimes de retraite et d'assurances, 475, rue Saint-Amable, 7^e étage, Québec (Québec) G1R 5X3; telephone: (418) 644-1477; fax: (418) 644-5353.

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, 10, rue Pierre-Olivier-Chauveau, Québec (Québec) G1R 4J3.

NATHALIE NORMANDEAU,
Minister of Municipal Affairs and Regions

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