Treasury Board

Gouvernement du Québec

T.B. 203094, 6 décembre 2005

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

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

An Act respecting the Teachers Pension Plan
(R.S.Q., c. R-11)

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

**Pension plans in the public and parapublic sectors
— Various regulations
— Amendments**

Regulation to amend various regulations under pension plans in 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 the 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), the Government may, after consultation by the Commission administrative des régimes de retraite et d'assurances with the Comité de retraite referred to in section 164 of the Act respecting the Government and Public Employees Retirement Plan, make regulations for the application of 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, as amended, the Regulation under the Act respecting the Government and Public Employees Retirement Plan by Order in Council 1845-88 dated 14 December 1988, as amended, the Regulation under the Act respecting the Teachers Pension Plan by Decision T.B. 169291 dated 29 November 1988, as amended, and the Regulation under the Act respecting the Civil Service Superannuation Plan by Decision T.B. 169292 dated 29 November 1988, as amended;

WHEREAS it is expedient to amend those Regulations;

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

SERGE MARTINEAU,
Clerk of the Conseil du trésor

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

An Act respecting the Pension Plan of Certain Teachers
(R.S.Q., c. R-9.1, s. 418, par. 1.1)

An Act respecting the Government and Public Employees Retirement Plan
(R.S.Q., c. R-10, s. 134, pars. 9, 9.0.1, 9.1, 11.1 and 13.2)

An Act respecting the Teachers Pension Plan
(R.S.Q., c. R-11, s. 73, par. 9)

An Act respecting the Civil Service Superannuation Plan
(R.S.Q., c. R-12, s. 109, par. 7)

1. Section 0.3 of the Regulation respecting the application of the Act respecting the Pension Plan of Certain Teachers is amended by replacing "Schedule V to the Act" in subparagraph 3 of the third paragraph by "Table II of Schedule IV.3 to the Regulation under the Act respecting the Government and Public Employees Retirement Plan approved by Order in Council 1845-88 dated 14 December 1988".

2. Division VII of the Regulation under the Act respecting the Government and Public Employees Retirement Plan is replaced by the following:

"**DIVISION VII**
ACTUARIAL VALUE
(s. 139, pars. 9 and 9.0.1)

12. For the purposes of this Regulation, the expression "CIA Standard" refers to the "Standard of Practice for Determining Pension Commuted Values" confirmed by the board of directors of the Canadian Institute of Actuaries on 15 June 2004.

12.1. The actuarial values of the benefits referred to in sections 43.2, 46.1, 53, 54 and 79 of the Act are determined, taking into account sections 12.2 to 12.2.3, using the following actuarial assumptions:

(1) Mortality rates:

The mortality rates are those determined in accordance with the CIA Standard.

(2) Interest rates:

For fully-indexed and non-indexed benefits:

The interest rates are those determined in accordance with the CIA Standard.

For partially-indexed benefits:

The interest rates are those determined according to the following formula:

((1 + interest rate for a non-indexed benefit)/ (1 + indexing rate for a partially-indexed benefit)) – 1

The result must be rounded to the nearest multiple of 0.25%.

(3) Indexing rate:

(a) or a fully-indexed benefit according to the rate of increase in the pension index, the indexing rate is computed in the manner described in the CIA Standard;

(b) or a benefit indexed according to the excess of the rate of increase in the pension index (PI) over 3% or to half of the rate of increase in the pension index, the indexing rate corresponds respectively to the excess of the indexing rate computed in the manner provided in subparagraph *a* over 3% or to half the indexing rate computed in the manner provided in that subparagraph.

In order to take into account the inflation rate variations, the following additions are made to the results of effective indexing formulas for actuarial value computation purposes.

Inflation level	Addition to the result of the PI-3% formula	Adjusted indexing rate	Addition to the result of the 50% PI, min. PI-3% formula	Adjusted indexing rate
0.5	0.1	0.1	0.05	0.3
1.0	0.1	0.1	0.10	0.6
1.5	0.3	0.3	0.15	0.9
2.0	0.5	0.5	0.20	1.2
2.5	0.7	0.7	0.15	1.4
3.0	1.0	1.0	0.20	1.7
3.5	0.8	1.3	0.25	2.0
4.0	0.6	1.6	0.30	2.3
4.5	0.5	2.0	0.45	2.7
5.0	0.4	2.4	0.50	3.0

(4) Turnover rate : Nil

(5) Disability rate : Nil

(6) Proportion of married persons at death :

Age	Male	Female
18 - 64 years old	85%	65%
65 -79 years old	80%	30%
80 - 109 years old	60%	10%
110 years old	0%	0%

(7) Age difference between spouses at death :

— the male spouse of the member is assumed to be one year older ;

— the female spouse of the member is assumed to be four years younger.

12.2. The actuarial value of the pension referred to in section 43.2 of the Act is determined using the "benefit allocation" actuarial method and corresponds to the sum of 30% of the actuarial value determined for a male and 70% of the actuarial value determined for a female.

12.2.1. The actuarial value of the deferred pension referred to in section 46.1 or 54 of the Act is determined using the following actuarial method and assumptions :

Actuarial method

The actuarial method is the "benefit allocation" method and the actuarial value corresponds to the sum of 30% of the actuarial value determined for a male and 70% of the actuarial value determined for a female.

Actuarial assumptions

For that section 46.1, the actuarial assumptions apply, taking into account the rules of Part D of Section 3 of the CIA Standard.

For that section 46.1 or 54, the interest rate applicable from the CANSIM series published by Statistics Canada in the Bank of Canada Review is the reported rate for the fourth month preceding the month in which the valuation date falls and not that of the second month.

12.2.2. For the purposes of section 53 of the Act, the annual value of the initial pension paid to the employee is adjusted by multiplying it by the ratio obtained by dividing the value "A" by the value "B", where

"A" corresponds to the actuarial value at the employee's retirement age ; and

"B" corresponds to the actuarial value at age 65.

The actuarial value is determined using the "benefit allocation" actuarial method and the actuarial value corresponds to the sum of 30% of the actuarial value determined for a male and 70% of the actuarial value determined for a female.

12.2.3. The actuarial value of the benefits referred to in section 79 of the Act is determined using the "benefit allocation" actuarial method and the actuarial assumption of retirement age is the age attained at the date of payment of that actuarial value.".

3. Section 12.5 is amended by replacing "Schedule V to the Act" in paragraph 3 by "Table II of Schedule IV.3".

4. The following Division is inserted after section 29.6 :

"**DIVISION IX.3**
PENSION CREDIT TARIFF
(s. 134, 1st par., subpar. 11.4)

29.7. For the purposes of section 95 of the Act, the employee must pay an amount determined in accordance with the rate appearing in Schedule IV.3.".

5. The following Division is inserted after section 30:

"**DIVISION X.1**
ACTUARIAL ASSUMPTIONS AND METHOD
(s. 134, 1st par., subpar. 13.2)

30.1. The actuarial values of the benefits referred to in section 109.2 of the Act are determined using the average pensionable salary that is used to calculate the pension, and the following actuarial method and assumptions:

Actuarial method

The actuarial method is the "projected benefit method pro rated on service".

Actuarial assumptions

(1) Mortality rates:

The mortality rates are determined in accordance with the CIA Standard.

(2) Interest rates:

For fully-indexed and non-indexed benefits:

The interest rates are those determined in accordance with the CIA Standard.

For partially-indexed benefits:

The interest rates are determined according to the following formula:

$$((1 + \text{interest rate for a non-indexed benefit})/(1 + \text{indexing rate for a partially-indexed benefit}) - 1$$

The result must be rounded to the nearest multiple of 0.25%.

(3) Indexing rate:

(a) for a fully-indexed benefit according to the rate of increase in the pension index, the indexing rate is computed in the manner described in the CIA Standard;

(b) for a benefit indexed according to the excess of the rate of increase in the pension index (PI) over 3% or to half of the rate of increase in the pension index, the indexing rate corresponds respectively to the excess of the indexing rate computed in the manner provided in subparagraph *a* over 3% or to half the indexing rate computed in the manner provided in that subparagraph.

In order to take into account the inflation rate variations, the following additions are made to the results of effective indexing formulas for actuarial value computation purposes.

Inflation level	Addition to the result of the PI-3% formula	Adjusted indexing rate	Addition to the result of the 50% PI, min. PI-3% formula	Adjusted indexing rate
0.5	0.1	0.1	0.05	0.3
1.0	0.1	0.1	0.10	0.6
1.5	0.3	0.3	0.15	0.9
2.0	0.5	0.5	0.20	1.2
2.5	0.7	0.7	0.15	1.4
3.0	1.0	1.0	0.20	1.7
3.5	0.8	1.3	0.25	2.0
4.0	0.6	1.6	0.30	2.3
4.5	0.5	2.0	0.45	2.7
5.0	0.4	2.4	0.50	3.0

(4) Turnover rate: Nil

(5) Disability rate: Nil

(6) Proportion of employees with a spouse at retirement:

Males: 85%
Females: 60%

(7) Age of spouse at retirement:

— the male spouse of the member is assumed to be two years older;

— the female spouse of the member is assumed to be three years younger;

(8) Rate of increase of MPE:

The annual increase of the maximum pensionable earnings within the meaning of the Québec Pension Plan corresponds to the annual rate of inflation plus 1%.

(9) Rate of increase of salaries:

The annual increase in salaries corresponds to the annual increase of the MPE, increased by the annual rate of salary increase.

**For the Pension Plan of Peace Officers
in Correctional Services**

Years of service	Annual rate of increase
0 - 4 years	2.5%
5 - 15 years	0.4%
16 years and over	0.2%

**For the Government and Public Employees
Retirement Plan**

Years of service	Annual rate of increase
0 - 10 years	2.50%
11 - 20 years	0.75%
21 years and over	0.25%

(10) Rate of increase in the Tax Act defined benefit limit:

The annual increase of Tax Act defined benefit limits corresponds to that of the maximum pensionable earnings as of each year of the indexing of that limit, in accordance with the Income Tax Act.

(11) Retirement age:

The retirement age is the age on the date on which membership ceases as determined pursuant to section 8.7 or 8.8 of the Act respecting the Pension Plan of Peace Officers in Correctional Services (R.S.Q., c. R-9.2).

(12) Reduction for early retirement:

The pension under the Pension Plan of Peace Officers in Correctional Services used to determine the actuarial value of the benefits of that plan is reduced by 1/3 of 1% per month computed for each month comprised between the date on which the actuarial value is determined and the first date on which a pension could have been paid to the member without reduction under than plan.".

6.   Division XII is revoked.

7.   The following is inserted after Schedule IV.2:

«**SCHEDULE IV.3**
(s. 29.7)

TABLE APPLICABLE TO PAY THE COST
OF PENSION CREDIT

Table I

Premium payable by an employee for entitlement to the pension credit referred to in section 88 in respect of years of service prior to 1 July 1982

Premium per $10 of annual pension

Age	Rate	Age	Rate	Age	Rate
18	2.329	36	7.630	54	25.197
19	2.487	37	8.150	55	26.947
20	2.661	38	8.706	56	28.836
21	2.841	39	9.299	57	30.855
22	3.038	40	9.945	58	33.011
23	3.244	41	10.626	59	35.309
24	3.467	42	11.352	60	37.760
25	3.701	43	12.128	61	40.375
26	3.956	44	12.956	62	43.156
27	4.225	45	13.843	63	46.109
28	4.514	46	14.793	64	49.249
29	4.820	47	15.808	65	52.587
30	5.143	48	16.892	66	49.644
31	5.494	49	18.051	67	48.660
32	5.869	50	19.282	68	47.653
33	6.268	51	20.614	69	46.618
34	6.694	52	22.039		
35	7.141	53	23.563		

Table II

Premium payable by an employee for entitlement to the pension credit referred to in section 88 in respect of years of service following 30 June 1982

Premiums per $10 of annual pension

Age	Rate	Age	Rate	Age	Rate
18	2.795	36	9.156	54	30.236
19	2.985	37	9.781	55	32.337
20	3.193	38	10.448	56	34.603
21	3.410	39	11.159	57	37.026
22	3.646	40	11.934	58	39.613

Age	Rate	Age	Rate	Age	Rate
23	3.892	41	12.751	59	42.371
24	4.160	42	13.623	60	45.312
25	4.441	43	14.553	61	48.450
26	4.747	44	15.547	62	51.787
27	5.070	45	16.611	63	55.330
28	5.417	46	17.752	64	59.098
29	5.784	47	18.970	65	63.105
30	6.172	48	20.271	66	59.572
31	6.592	49	21.661	67	58.392
32	7.043	50	23.138	68	57.184
33	7.521	51	24.736	69	55.942 .".
34	8.033	52	26.446		
35	8.570	53	28.276		

8. Chapter V of the Regulation under the Act respecting the Teachers Pension Plan is revoked.

9. Section 10 is replaced by the following:

"**10.** The actuarial value of the pension referred to in section 66 of the Act is determined using the following actuarial method and assumptions:

Actuarial method

The actuarial method is the "benefit allocation" method.

Actuarial assumptions

(1) Mortality rates:

The mortality rates are those determined in accordance with the "Standard of Practice for Determining Commuted Values" confirmed by the board of directors of the Canadian Institute of Actuaries on 15 June 2004, hereafter called the "CIA Standard".

(2) Interest rates:

For fully-indexed and non-indexed benefits:

The interest rates are those determined in accordance with the CIA Standard.

For partially-indexed benefits:

The interest rates are those determined according to the following formula:

((1 + interest rate for a non-indexed benefit)/ (1 + indexing rate for a partially-indexed benefit)) – 1

The result must be rounded to the nearest multiple of 0.25%.

(3) Indexing rate:

(a) for a fully-indexed benefit according to the rate of increase in the pension index, the indexing rate is computed in the manner described in the CIA Standard;

(b) for a benefit indexed according to the excess of the rate of increase in the pension index (PI) over 3% or to half of the rate of increase in the pension index, the indexing rate corresponds respectively to the excess of the indexing rate computed in the manner provided in subparagraph *a* over 3% or to half the indexing rate computed in the manner provided in that subparagraph.

In order to take into account the inflation rate variations, the following additions are made to the results of effective indexing formulas for actuarial value computation purposes.

Inflation level	Addition to the result of the PI-3% formula	Adjusted indexing rate	Addition to the result of the 50% PI, min. PI-3% formula	Adjusted indexing rate
0.5	0.1	0.1	0.05	0.3
1.0	0.1	0.1	0.10	0.6
1.5	0.3	0.3	0.15	0.9
2.0	0.5	0.5	0.20	1.2
2.5	0.7	0.7	0.15	1.4
3.0	1.0	1.0	0.20	1.7
3.5	0.8	1.3	0.25	2.0
4.0	0.6	1.6	0.30	2.3
4.5	0.5	2.0	0.45	2.7
5.0	0.4	2.4	0.50	3.0

(4) Turnover rate: Nil

(5) Disability rate: Nil

(6) Proportion of married persons at death:

Age	Male	Female
18 - 64 years old	85%	65%
65 -79 years old	80%	30%
80 - 109 years old	60%	10%
110 years old	0%	0%

(7) Age difference between spouses at death:

— the male spouse of the member is assumed to be one year older;

— the female spouse of the member is assumed to be four years younger.

(8) Retirement age:

Age attained at the date of payment of the actuarial value.».

10. The title of Chapter XI and section 11 are revoked.

11. Section 6 of the Regulation under the Act respecting the Civil Service Superannuation Plan is replaced by the following:

"**6.** The actuarial value of the pension referred to in section 74 of the Act is determined using the following actuarial method and assumptions:

Actuarial method

The actuarial method is the "benefit allocation" method.

Actuarial assumptions

(1) Mortality rates

The mortality rates are determined in accordance with the "Standard of Practice for Determining Pension Commuted Values" confirmed by the board of directors of the Canadian Institute for Actuaries on 15 June 2004, hereafter called the "CIA Standard".

(2) Interest rates:

For fully-indexed and non-indexed benefits:

The interest rates are those determined in accordance with the CIA Standard.

For partially indexed benefits:

The interest rates are determined according to the following formula:

$$((1 + \text{interest rate for a non-indexed benefit})/(1 + \text{indexing rate for a partially-indexed benefit}) - 1$$

The result must be rounded to the nearest multiple of 0.25%.

(3) Indexing rate:

(a) for a fully-indexed benefit according to the rate of increase in the pension index, the indexing rate is computed in the manner described in the CIA Standard;

(b) for a benefit indexed according to the excess of the rate of increase in the pension index (PI) over 3% or to half of the rate of increase in the pension index, the indexing rate corresponds respectively to the excess of the indexing rate computed in the manner provided in subparagraph *a* over 3% or to half the indexing rate computed in the manner provided in that subparagraph.

In order to take into account the inflation rate variations, the following additions are made to the results of effective indexing formulas for actuarial value computation purposes.

Inflation level	Addition to the result of the PI-3% formula	Adjusted indexing rate	Addition to the result of the 50% PI, min. PI-3% formula	Adjusted indexing rate
0.5	0.1	0.1	0.05	0.3
1.0	0.1	0.1	0.10	0.6
1.5	0.3	0.3	0.15	0.9
2.0	0.5	0.5	0.20	1.2
2.5	0.7	0.7	0.15	1.4
3.0	1.0	1.0	0.20	1.7
3.5	0.8	1.3	0.25	2.0
4.0	0.6	1.6	0.30	2.3
4.5	0.5	2.0	0.45	2.7
5.0	0.4	2.4	0.50	3.0

(4) Turnover rate : Nil

(5) Disability rate : Nil

(6) Proportion of married persons at death :

Age	Male	Female
18 - 64 years old	85%	65%
65 -79 years old	80%	30%
80 - 109 years old	60%	10%
110 years old	0%	0%

(7) Difference of age between spouses at death :

— the male spouse of the member is assumed to be one year older ;

— the female spouse of the member is assumed to be four years younger ;

(8) Retirement age :

Age attained at the date of payment of the actuarial value.".

12. Chapter VIII, the title of Chapter IX and section 9 are revoked.

13. This Regulation is made on 6 December 2005 but has effect as of 1 January 2006.

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Gouvernement du Québec

T.B. 203095, 6 December 2005

An Act respecting the Pension Plan of Management Personnel
(R.S.Q., c. R-12.1)

Regulation
— Amendments

Regulation to amend the Regulation under the Act respecting the Pension Plan of Management Personnel

WHEREAS, under subparagraphs 7, 7.1 and 12 of the first paragraph of section 196 of the Act respecting the Pension Plan of Management Personnel (R.S.Q., c. R-12.1), the Government may, by regulation, after the

Commission administrative des régimes de retraite et d'assurance 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), determine the actuarial assumptions and methods used to establish the actuarial values of the benefits referred to in those subparagraphs, which may vary to the extent provided for in those subparagraphs ;

WHEREAS, the Conseil du trésor made the Regulation under the Act respecting the Pension Plan of Management Personnel by Decision 202420 dated 24 May 2005 ;

WHEREAS it is expedient to amend the Regulation to determine the actuarial assumptions and methods to be used to establish the actuarial values of the benefits referred to in those subparagraphs 7, 7.1 and 12 ;

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 to amend 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 to amend the 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. 7, 7.1 and 12)

1. The Regulation under the Act respecting the Pension Plan of Management Personnel is amended by inserting the following Division after section 6 :

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[*] The Regulation under the Act respecting the Pension Plan of Management Personnel was made by Decision T.B. 202420 dated 24 May 2005 (2005, *G.O.* 2, 1733) and has not been amended since that date.