(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:

* 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.

"**DIVISION III.1**
ACTUARIAL VALUE
(s. 196, 1st par., subpars. 7 and 7.1)

6.1. 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.

6.2. The actuarial values of the benefits referred to in sections 64, 68, 75, 76 and 117 of the Act are determined, taking into account sections 6.3 to 6.6, 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) 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.

6.3. The actuarial value of the pension referred to in section 64 of the Act is determined using the "benefit allocation" actuarial method and corresponds to the sum of 50% of the actuarial value determined for a male and 50% of the actuarial value determined for a female.

6.4. The actuarial value of the deferred pension referred to in section 68 or 76 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 50% of the actuarial value determined for a male and 50% of the actuarial value determined for a female.

Actuarial assumptions

For that section 68, the actuarial assumptions apply taking into account the rules of Part D of Section 3 of the CIA Standard.

For that section 68 or 76, 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.

6.5. For the purposes of section 75 of the Act, the annual value of the initial pension paid to the employee is adjusted by multiplying it by the percentage 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 50% of the actuarial value determined for a male and 50% of the actuarial value determined for a female.

6.6. The actuarial value of the benefits referred to in section 117 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.".

2. Section 9 is amended by replacing "Schedule V to the Act respecting the Government and Public Employees Retirement Plan" in paragraph 3 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".

3. The following Division is inserted after section 10:

"**DIVISION IV.1**
ACTUARIAL ASSUMPTIONS AND METHOD
(s. 196, 1st par., subpar. 12)

10.1. The actuarial values of the benefits referred to in section 138.1 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 + 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 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 the MPE:

The annual increase in 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 years2.5%	
5 - 15 years	0.4%
16 years and over	0.2%

For the Pension Plan of Management Personnel

Age	Annual rate of increase
18 - 35 years	4.60%
36 - 50 years	2.00%
51 years and over	0.70%

(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 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.".

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

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