(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.

For the purposes of sections 5 and 6, the actuarial assumptions apply taking into account the rules of Part D of Section 3 of the CIA Standard.

For the purposes of sections 11 and 15.1, 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.".

4. Schedule IV is revoked.

5. 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. 203097, 6 December 2005

An Act respecting the Pension Plan of Peace Officers in Correctional Services
(R.S.Q., c. R-9.2)

Regulation
— Amendments

Regulation to amend the Regulation under the Act respecting the Pension Plan of Peace Officers in Correctional Services

WHEREAS, under paragraphs 3 and 8 of section 130 of the Act respecting the Pension Plan of Peace Officers in Correctional Services (R.S.Q., c. R-9.2), the Government may, by regulation, determine the actuarial assumptions and methods used to calculate the actuarial value of the benefits referred to in those paragraphs;

WHEREAS the Government made the Regulation under the Act respecting the Pension Plan of Peace Officers in Correctional Services by Order in Council 1842-88 dated 14 December 1988, as amended;

WHEREAS it is expedient to amend the Regulation to determine the actuarial assumptions and methods to calculate the actuarial value of those benefits;

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 Peace Officers in Correctional Services, 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 Peace Officers in Correctional Services[*]

An Act respecting the Pension Plan of Peace Officers in Correctional Services
(R.S.Q., c. R-9.2, s. 130, pars. 3 and 8)

1. Section 3 of the Regulation under the Act respecting the Pension Plan of Peace Officers in Correctional Services is replaced by the following:

"**3.** 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.

3.0.1. For the purposes of sections 23 and 41.12 of the Act, the actuarial values of the benefits are established using the following actuarial method and assumptions:

Actuarial method

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

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[*] The Regulation under the Act respecting the Pension Plan of Peace Officers in Correctional Services, made by Order in Council 1842-88 dated 14 December 1988 (1988, *G.O.* 2, 4149), was last amended by the regulation made by Decision T.B. 202422 dated 24 May 2005 (2005, *G.O.* 2, 1739). For previous amendments, refer to the *Tableau des modifications et Index sommaire*, Québec Official Publisher, 2005, updated to 1 September 2005.

In addition, in the case of that section 23, if the employee is less than 5 years from retirement under the Government and Public Employees Retirement Plan or the Pension Plan of Peace Officers in Correctional Services, or less than 3 years from retirement under the Pension Plan of Management Personnel, the pensionable salary of the pension plans involved in the transfer prior to the qualification year under the Pension Plan of Peace Officers in Correctional Services must also be taken into account in determining the average pensionable salary.

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 the 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, the Teachers Pension Plan and the Civil Service Superannuation Plan

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

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 (R.S.C. 1985, c. 1, 5th supp.).

(11) Retirement age:

For the purposes of section 41.12 of the Act, 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.

For the purposes of section 23 of the Act, retirement is determined according to the following retirement rates:

For the Pension Plan of Peace Officers in Correctional Services

For an employee attaining or who would attain 32 years of service before age 50	• 100% at age 50
For an employee attaining or who would attain 30 years of service before age 60	• 60% at 30 years of service • 100% (of the remaining 40%) at 32 years of service
For an employee who would attain 30 years of service at age 60 or after	• 60% at age 60 • 100% (of the remaining 40%) at 32 years of service or at age 65 if the employee attains that age without attaining 32 years of service
For an employee with at least 32 years of service at the time of transfer	• 100% six months after the transfer
For an employee who is 60 years of age or older at the time of transfer	• 60% six months after the transfer • 100% (of the remaining 40%) at 32 years of service or at least age 65 if the employee attains that age without attaining 32 years of service

If the first two criteria apply, the assumption retained is that of the first criteria attained.

If the last two criteria apply, the assumption retained is that of the criteria of 32 years of service.

For the Government and Public Employees Retirement Plan, the Teachers Plan and the Civil Service Superannuation Plan

For an employee attaining or who would attain 35 years of service before attaining age 55	• 100% at age 55
For an employee attaining or who would attain 35 years of service between age 55 years and age 60	• 100% at 35 years of service
For an employee who would attain 35 years of service at age 60 or after	• 60% at age 60 • 100% (of the remaining 40%) at 35 years of service or age 65 if the employee attains that age without attaining 35 years of service

For an employee who has at least 30 years of service at the time of transfer	• 100% six months after the transfer
For an employee who is 60 years of age or older at the time of transfer	• 60% six months after the transfer
	• 100% (of the remaining 40%) at 35 years of service or age 65 if the employee attains that age without attaining 35 years of service

If the last two criteria apply, the assumption retained is that of the criteria of 35 years of service.

For the Pension Plan of Management Personnel

For an employee attaining or who would attain 35 years of service before age 55	• 100% at age 55
For an employee whose age and years of service add up or would add up to 88 or more "criteria 88" at age 55 or older but before age 60	• 60% at criteria 88
	• 100% (of the remaining 40%) at 35 years of service or at age 65 if the employee attains that age without attaining 35 years of service
For an employee who has fewer than 28 years of service at age 60	• 60% at age 60
	• 100% (of the remaining 40%) at age 65
For an employee who has at least 35 years of service at the time of transfer	• 100% six months after the transfer
For an employee who is 60 years of age or older at the time of transfer	• 60% six months after the transfer
	• 100% (of the remaining 40%) at 35 years of service or age 65 if the employee attains that age without attaining 35 years of service

If the last two criteria apply, the assumption retained is that of the criteria of 35 years of service.".

2. Section 8 is replaced by the following:

"**8.** The actuarial value of the pension referred to in section 103 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 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	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.".

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

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