

Regulation to amend the Regulation respecting the exemption of certain pension plans from the application of provisions of the Supplemental Pension Plans Act*

Supplemental Pension Plans Act
(R.S.Q., c. R-15.1, s. 2, 2nd para.)

1. Section 14.7 of the Regulation respecting the exemption of certain pension plans from the application of provisions of the Supplemental Pension Plans Act is replaced with the following section:

“**14.7.** Unless made compulsory by law, no amendment having the effect of increasing the benefits of members or beneficiaries may be made to a pension plan so long as any amount determined in accordance with paragraph 1 of the first paragraph of section 14.6 with respect to such plan has not been fully amortized, unless a sum equal to the greater of the following values is paid into the pension fund:

- (1) the value of the additional commitments resulting from the amendment, determined on the basis of funding;
- (2) the value of such commitments, determined on the basis of solvency.

The sum shall be paid immediately upon transmission of the report on the actuarial valuation required under paragraph 2 of section 118 of the Supplemental Pension Plans Act to the Régie des rentes du Québec. To such sum shall be added accrued interest, if any, from the date of the valuation, calculated at the rate referred to in section 48 of the Act.

Under these conditions, no unfunded actuarial liability and no sum determined in application of paragraph 4 of the second paragraph of section 137 of the Supplemental Pension Plans Act have to be established as a result of the amendment.”

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

7886

Gouvernement du Québec

O.C. 1098-2006, 29 November 2006

Supplemental Pension Plans Act
(R.S.Q., c. R-15.1)

Exemption of certain categories of pension plans from the application of provisions of the Act and the exemption of certain pension plans from the application of provisions of the Act — Amendments

IN THE MATTER OF the Regulation to amend the Regulation respecting the exemption of certain categories of pension plans from the application of provisions of the Supplemental Pension Plans Act and the Regulation respecting the exemption of certain pension plans from the application of provisions of the Supplemental Pension Plans Act

WHEREAS, in accordance with the second paragraph of section 2 of the Supplemental Pension Plans Act (R.S.Q., c. R-15.1), the Government may, by regulation and on the conditions it determines:

— exempt any pension plan or category of pension plan it designates from the application of all or part of the Act, particularly by reason of the special characteristics of the plan or category or by reason of the complexity of the Act in relation to the number of members in the plan;

— prescribe special rules applicable to the plan or category;

WHEREAS, in accordance with sections 10 et 11 of the Regulations Act (R.S.Q., c. R-18.1), a proposed regulation, attached hereto, was published in Part 2 of the *Gazette officielle du Québec* on 30 August 2006, with a notice that it could be made by the Government following expiry of 45-days from its publication;

WHEREAS it is expedient to make the Regulation, with changes to take into account comments made by the interested parties;

IT IS ORDERED, therefore, upon the recommendation of the Minister of Employment and Social Solidarity:

THAT the Regulation to amend the Regulation respecting the exemption of certain categories of pension plans from the application of provisions of the Supplemental Pension Plans Act and the Regulation respecting

* The Regulation respecting the exemption of certain pension plans from the application of provisions of the Supplemental Pension Plans Act, made by Order in Council 415-2004, dated 28 April 2004 (*G.O.* 2004, 2, 1543), was amended by the regulation made by Order in Council 987-2005, dated 19 October 2005 (*G.O.* 2005, 2, 4752).

the exemption of certain pension plans from the application of provisions of the Supplemental Pension Plans Act attached hereto be made.

GÉRARD BIBEAU,
Clerk of the Conseil exécutif

Regulation to amend the Regulation respecting the exemption of certain categories of pension plans from the application of provisions of the Supplemental Pension Plans Act* and Regulation respecting the exemption of certain pension plans from the application of provisions of the Supplemental Pension Plans Act**

Supplemental Pension Plans Act
(R.S.Q., c. R-15.1, s. 2, 2nd para.)

1. The Regulation respecting the exemption of certain categories of pension plans from the application of provisions of the Supplemental Pension Plans Act is amended by adding, after section 47, the following division:

**“DIVISION IX
FUNDING AND SOLVENCY OF CERTAIN
PENSION PLANS**

48. This division applies to pension plans to which chapter X of the Act applies and of which the employer is a municipality, a body referred to in section 18 of the Act respecting the Pension Plan of Elected Municipal Officers (R.S.Q., c. R-9.3) or an educational institution at the university level referred to in paragraphs 1 to 11 of section 1 of the Act respecting educational institutions at the university level (R.S.Q., c. E-14.1).

* The last amendments to the Regulation respecting the exemption of certain categories of pension plans from the application of provisions of the Supplemental Pension Plans Act, approved by Order in Council 1160-90, dated 8 August 1990 (*G.O.* 1990, 2, 3261), were made by the regulation made by Order in Council 798-2006, dated 22 August 2006 (*G.O.* 2006, 2, 4235). For the preceding amendments, see the *Tableau des modifications et Index sommaire*, Éditeur officiel du Québec, 2006, updated to 1 September 2006.

** The Regulation respecting the exemption of certain pension plans from the application of provisions of the Supplemental Pension Plans Act, made by Order in Council 436-2004, dated 28 April 2004 (2004, *G.O.* 2, 2251), was amended by the regulation made by Order in Council 987-2005, dated 19 October 2005 (*G.O.* 2005, 2, 6258).

In the case of a multi-employer pension plan, even not considered as such in application of section 11 of the Supplemental Pension Plans Act, this section applies only insofar as, on 1 January 2007 or on the effective date of the plan, if after 1 January 2007, and at the end of each plan fiscal year thereafter, at least 90% of the plan's active members are employees of the employers referred to in the first paragraph.

49. The plans referred to in this section are exempted from the application of the provisions of sections 130, 137 and 140 of the Act and are consequently subject to the conditions set out in this division. Furthermore, the terms and conditions provided for in sections 55 and 56 are substituted, with respect to those plans, for the terms and conditions set out in sections 146.1 to 146.3 of the Act.

50. For the determination of the funding of a pension plan from the first complete actuarial valuation whose date is after 30 December 2006, the assets shall be determined according to their liquidation value, or an estimate thereof.

51. For the application of this division, paragraph 2 of section 126 of the Act applies by replacing the date on which the amendment takes effect with the date of the actuarial valuation.

52. The actuarial valuation required under paragraph 2 of section 118 of the Act may be partial and thus limited to the determination on a funding basis of the value of the additional obligations arising from the amendment to the pension plan or may only concern the variation in the current service contribution arising from the amendment. The value or the variation shall be determined on a funding basis and using the same assumptions and methods as were used for the preceding actuarial valuation, unless they are not appropriate in view of the nature of the amendment made to the pension plan.

However, where the amendment to the pension plan increases the pensions already in payment and the additional obligations arising from the amendment are insured at the date on which the actuarial valuation report is prepared, the value of the obligations may be assumed to correspond to the premium paid to the insurer, discounted at the date of actuarial valuation according to the rate of return of the pension fund.

Where the amendment increases the obligations arising from the pension plan, an improvement unfunded actuarial liability equal to the value of the additional obligations shall be determined on a funding basis, unless the actuary certifies that in his opinion the plan would be fully funded if a complete actuarial valuation were made at the effective date of the amendment.

Unless the actuary certifies that in his opinion the degree of solvency of the pension plan at the valuation date is or exceeds 100%, the actuary shall estimate the degree of solvency of the plan at the valuation date and indicate it in the actuary's report. In addition, the estimated degree of solvency applies from the date the valuation report is transmitted to the Régie for the purpose of paying out the value of benefits to members and beneficiaries under section 142.

53. The last paragraph of section 129 of the Act notwithstanding, the maximum amortization period for any improvement unfunded actuarial liability shall be 5 years from the date of determination of the liability.

54. If the actuarial valuation used to determine the value of the additional obligations arising from an amendment to the pension plan shows that the degree of solvency of the plan is less than 90%, a special amortization payment must be paid into the pension fund, payable in full on the day following the date of the valuation and equal to or greater than the lesser of:

(1) the amount corresponding to the value on a solvency basis of the additional obligations resulting from the amendment;

(2) the amount corresponding to the assets lacking for the plan's degree of solvency to be 90%.

The special contribution shall be used to reduce the amortization amounts related to the improvement unfunded actuarial liability determined by the actuarial valuation. If such contribution is not sufficient to eliminate the liability, the reduction shall be applied pro rata to each of the amortization amounts to be paid.

For the application of this section, where, at the evaluation date, the plan's liabilities on a funding basis include commitments resulting from an amendment whose effective date is subsequent to the valuation date, the liabilities, on the basis of solvency, shall be determined under the assumption that the effective date of the amendment is the valuation date and that the degree of solvency is the degree obtained by using the liabilities thus determined.

55. The assets of the pension plan may not be appropriated for payment of employer contributions unless the most recent actuarial valuation shows that there exist surplus assets on the basis both of funding and of solvency.

The maximum amount of assets that may be appropriated for payment of employer contributions shall be determined at the time of the most recent actuarial valuation of the plan. It shall be equal:

(1) if it is a complete actuarial valuation, to the lesser of the plan's surplus assets as determined on a funding basis and on a solvency basis;

(2) if it is a partial actuarial valuation, to the amount shown on a certification of the actuary attesting that, were a complete actuarial valuation to be carried out at the valuation date, it would allow the determination, in accordance with paragraph 1 of a maximum amount at least equal to the amount shown.

56. The appropriation of pension plan assets for payment of employer contributions shall cease:

(1) at the date of any actuarial valuation that shows that there are no more surplus assets on the basis either of funding or of solvency;

(2) at the date of the end of the fiscal year that follows the date of an actuarial valuation that satisfied the first paragraph of section 55 where no actuarial valuation was made at that fiscal year ending date.

57. A report referred to in section 119 of the Act shall, unless it is a report on a partial actuarial valuation, contain the information and declarations mentioned in the first paragraph of section 4 of the Regulation respecting supplemental pension plans, except those referred to in paragraph 8 of the said paragraph, by substituting the following information for that required, respectively, by paragraphs 6, 13, 15 and 17 of that paragraph:

(1) the employer contribution provided for in the plan, where such contribution is greater than the contribution provided for in sections 39 of the Act and 54 of this Regulation;

(2) where the plan's degree of solvency is less than 100%, the value, determined at the date of the actuarial valuation by using an interest rate identical to that used to determine the plan's liabilities in order to determine solvency, of the amounts remaining to be paid in order to amortize any initial unfunded actuarial liability and of the amounts provided for the amortization, in the 5 years after that date, of any other unfunded actuarial liability;

(3) a description of the amendments made in application of sections 133 and 134 of the Act to the amounts and amortization periods indicated in the most recent report on the valuation of the entire plan and in any subsequent report prepared in application of section 52;

(4) the maximum amount referred to in section 55.

A report to which the first paragraph applies shall furthermore, where it determines the value of the additional commitments resulting from the amendment of the plan, contain the information provided for in the first and second paragraphs of section 58.

58. A report covering only a partial actuarial valuation referred to in section 52 shall contain the information provided for in section 5 of the Regulation respecting supplemental pension plans, by substituting the following information for that required, respectively, by paragraphs 7 to 10 of that section:

(1) the employer contribution provided for in the plan, where such contribution is greater than the contribution provided for in sections 39 of the Act and 54 of this Regulation;

(2) a certification that the value of the additional commitments and the change in the current service contribution referred to in paragraphs 4 and 6 of section 5 of the Regulation respecting supplemental pension plans were determined by using the same actuarial assumptions and methods as those used for the most recent actuarial valuation of the plan or, where the first or second of paragraph of section 52 so authorizes, the description of the changes made to such assumptions and methods;

(3) the certifications required, if any, pursuant to section 52 and the assumptions used for the purpose of estimating the degree of solvency referred to in the fourth paragraph of that section;

(4) the maximum amount referred to in section 55.

The report shall also contain the following information:

(1) a certification that the amendment to the plan was made after 30 December 2006 or before 31 December 2006;

(2) the amount, if any, of the special contribution determined in application of section 54.

Where the valuation is also intended to show that there exist surplus assets that may be appropriated for payment of employer contributions, the report shall also contain the information provided for in paragraphs 3, 4 and 6 of section 59. The certification referred to in paragraph 2 of the first paragraph shall also include an estimate of the value of the plan's commitments.

59. A report related to a partial actuarial valuation referred to in section 55 shall contain the following information:

(1) the name of the plan and the number assigned to it by the Régie;

(2) the valuation date;

(3) the maximum amount of surplus assets that may be appropriated for payment of employer contributions until the date of the end of the fiscal year that follows the date of the actuarial valuation;

(4) the certification required pursuant to the second paragraph of section 55;

(5) the certification that on a funding basis, the value of the commitments was estimated using the same actuarial assumptions and methods as those used for the most recent actuarial valuation of the plan;

(6) the assumptions and actuarial methods used to estimate the value of the plan's commitments, on the basis of solvency, at the valuation date;

(7) the name of the signatory, his professional title, the name and address of his office and the date of his signature.

60. Every report on an actuarial valuation shall, in the case of a multi-employer pension plan, even not considered as such in application of section 11 of the Act, indicate whether at least 90% of the plan's active members are employees of employers referred to in the first paragraph of section 48.

61. Every certification required for the purpose of an actuarial valuation referred to in this division shall reflect the financial position of the plan at the date of the actuarial valuation, taking into account, in particular, the actual rate of return of the pension fund, the changes in interest rates on a solvency basis and the contributions actually paid since the last actuarial valuation of the whole plan.

62. The payment of amortization amounts determined in application of section 140 of the Act and payable after 31 December 2006 is no longer required. The plans referred to in this division are deemed to satisfy the second paragraph of section 121 of the Act until the date of the first complete actuarial valuation whose date is after 30 December 2006.

63. At the time of the first complete actuarial valuation whose date is after 30 December 2006, the sum determined in application of paragraph 4 of the second paragraph of section 137 of the Act pursuant to a prior actuarial valuation and the amortization amounts related

to such sum shall be eliminated. Such elimination is carried out prior to the application of sections 133, 134 and 306.1.1 of the Act.

64. Sections 51 to 54 shall apply to amendments made after 30 December 2006, without regard to the effective date such amendments, as well as to amendments whose effective date is after 30 December 2006.”.

2. Section 1 of the Regulation respecting the exemption of certain pension plans from the application of provisions of the Supplemental Pension Plans Act is amended by adding, after paragraph 1, the following paragraph:

“(1.1) the provisions mentioned in division IX of the Regulation respecting the exemption of certain categories of pension plans from the application of provisions of the Supplemental Pension Plans Act made by Order in Council 1160-90, dated 8 August 1990, in accordance with the terms and conditions provided for in that division;”.

3. This Regulation comes into force on 31 December 2006.

7887

Gouvernement du Québec

O.C. 1106-2006, 6 December 2006

Police Act
(R.S.Q., c. P-13.1)

Sûreté du Québec — Amounts payable by municipalities for services — Amendments

Regulation to amend the Regulation respecting the amounts payable by municipalities for the services provided by the Sûreté du Québec

WHEREAS section 77 of the Police Act (R.S.Q., c. P-13.1) provides that the cost of the police services provided by the Sûreté du Québec is to be established using the calculation methods or rate schedule prescribed by regulation of the Government and is to be borne by the local municipality or municipalities concerned;

WHEREAS, in accordance with the Police Act, the Government by Order in Council 497-2002 dated 24 April 2002 made the Regulation respecting the amounts payable by municipalities for the services provided by the Sûreté du Québec;

WHEREAS it is expedient to amend the Regulation;

WHEREAS, under sections 10 and 13 of the Regulations Act (R.S.Q., c. R-18.1), a draft of the Regulation to amend the Regulation respecting the amounts payable by municipalities for the services provided by the Sûreté du Québec was published in Part 2 of the *Gazette officielle du Québec* of 16 August 2006 with a notice that it could be made by the Government on the expiry of 25 days following that publication;

WHEREAS the 25-day period has expired;

WHEREAS it is expedient to make the Regulation without amendment;

IT IS ORDERED, therefore, on the recommendation of the Minister of Public Security:

THAT the Regulation to amend the Regulation respecting the amounts payable by municipalities for the services provided by the Sûreté du Québec, attached to this Order in Council, be made.

GÉRARD BIBEAU,
Clerk of the Conseil exécutif

Regulation to amend the Regulation respecting the amounts payable by municipalities for the services provided by the Sûreté du Québec*

Police Act
(R.S.Q., c. P-13.1, s. 77)

1. The Regulation respecting the amounts payable by municipalities for the services provided by the Sûreté du Québec is amended by adding the following after section 1:

“1.1. The amount of the contribution for all police services for a municipal fiscal year is obtained using the following calculation:

$$A \times ((B \times C) \times D) \times (E / F)$$

$$A = \begin{array}{l} 57\% \text{ in } 2007 \\ 55\% \text{ in } 2008 \\ 53\% \text{ in } 2009 \text{ and subsequent years;} \end{array}$$

* The Regulation respecting the amounts payable by municipalities for the services provided by the Sûreté du Québec, made by Order in Council 497-2002 dated 24 April 2002 (2002, *G.O.* 2, 2293), has been amended once, by the regulation made by Order in Council 939-2002 dated 21 August 2002 (2002, *G.O.* 2, 4505).