

Gouvernement du Québec

O.C. 21-2007, 16 January 2007

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

**General retirement plan for the mayors and councillors of municipalities
— Interest applicable**

Regulation respecting interest applicable under the general retirement plan for the mayors and councillors of municipalities

WHEREAS, under subparagraph *a* of the first paragraph of section 42 of the Act respecting retirement plans for the mayors and councillors of municipalities (R.S.Q., c. R-16), the Government may make a regulation to determine the rates of interest for which the Act provides for the fixing by regulation and, as the case may be, the rules governing the computing of the interest;

WHEREAS, under the second paragraph of section 42 of the Act, a regulation under subparagraph *a* of the first paragraph of that section may determine periods relating to interest payable and determine a separate rate of interest for each period;

WHEREAS the Government made the Regulation respecting interest applicable under the general retirement plan for the mayors and councillors of municipalities by Order in Council 1008-2005 dated 26 October 2005, and the Regulation respecting the terms and conditions of application of the rate of interest applicable to the amounts paid for participation in the general plan (R.R.Q., 1981, c. R-16, r.4);

WHEREAS it is expedient to replace the Regulations;

WHEREAS, in accordance with sections 10 and 11 of the Regulations Act (R.S.Q., c. R-18.1), the draft Regulation respecting interest applicable under the general retirement plan for the mayors and councillors of municipalities was published in Part 2 of the *Gazette officielle du Québec* of 30 August 2006 with a notice that it could be made by the Government on the expiry of 45 days following that publication;

WHEREAS comments were made on the draft Regulation;

WHEREAS it is expedient to make the Regulation with amendments;

IT IS ORDERED, therefore, on the recommendation of the Minister of Municipal Affairs and Regions:

THAT the Regulation respecting interest applicable under the general retirement plan for the mayors and councillors of municipalities, attached to this Order in Council, be made.

GÉRARD BIBEAU,
Clerk of the Conseil exécutif

Regulation respecting interest applicable under the general 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.)

**DIVISION I
APPLICATION**

1. For the purposes of subparagraph *a* of the first paragraph of section 42 of the Act respecting retirement plans for the mayors and councillors of municipalities (R.S.Q., c. R-16), the rates of interest are determined for each period in accordance with Division II and according to the periods in Division III. The interest is computed in accordance with the rules set out in the latter Division.

**DIVISION II
ESTABLISHMENT OF THE RATE OF INTEREST**

§1. *Rate of interest based on the rates of return of the pension fund of the Pension Plan of Elected Municipal Officers*

2. The annual rate of interest in this subdivision is established as at 1 June of each year 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 annual rate of return is the rate determined by the Caisse de dépôt et placement du Québec as at 31 December of each year for the specific fund of the pension plan established under the Act respecting the Pension Plan of Elected Municipal Officers (R.S.Q., c. R-9.3), after subtracting the management expenses.

§2. Rate of interest based on an external index

3. The annual rate of interest in this subdivision is established as at 1 June of each year by computing the arithmetic mean, for the 12-month period ending on 31 December of the preceding year, of the nominal rates on Government of Canada marketable bonds (3-5 years) as compiled by Statistics Canada and published in the Bank of Canada's Banking and Financing Statistics (CANSIM Series V122485).

DIVISION III

COMPUTATION OF INTEREST

4. The amounts paid into the general plan bear interest, compounded annually, at the rate established each year as provided in section 2 as of the midpoint of the year in which they are paid to the Commission administrative des régimes de retraite et d'assurances until the date on which the refund application is received by the Commission, at the rate established as provided in section 3 and in force on that date, as of the day following that date until the date on which the refund is made.

Despite the first paragraph, if the event giving entitlement to the refund is the death of the member, the period of application of section 3 begins on the day following the date of death and if the event is the death of the beneficiary or the surviving spouse, the period begins on the first day of the month following the date of death.

5. For the purposes of section 4, the expression "amounts paid" includes the member's regular and additional contributions, the other amounts paid for redemption or transfer of past service, and the contributions of the municipality and the amounts the municipality paid for the redemption or transfer of past service.

6. This Regulation replaces the Regulation respecting the determination of the rate of interest applicable to the retirement plan for the mayors and councillors of municipalities, made by Order in Council 1008-2005 dated 26 October 2005, and the Regulation respecting the terms and conditions of application of the rate of interest applicable to the amounts paid for participation in the general plan (R.R.Q., 1981, c. R-16, r.4).

7. 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

(s. 2)

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 occurring 2 years before the reference year

T_{y-3} is the rate of return for the year occurring 3 years before the reference year

7979

Gouvernement du Québec

O.C. 22-2007, 16 January 2007

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

Computing pensions of mayors and councillors

— Terms and conditions

— Amendment

Regulation to amend the Regulation respecting terms and conditions for computing pensions of mayors and councillors

WHEREAS, under subparagraph *f* of the first paragraph of section 42 of the Act respecting retirement plans for the mayors and councillors of municipalities (R.S.Q., c. R-16), the Government may make a regulation to determine the terms and conditions for purposes of computing the pension prescribed by the Act;

WHEREAS the Government made the Regulation respecting terms and conditions for computing pensions of mayors and councillors (R.R.Q., 1981, c. R-16, r.6), amended by the regulation made by Order in Council 615-2002 dated 29 May 2002;