

For the purposes of the first paragraph, the adjusted expenditure estimates correspond to the difference, for each form of energy, between the expenditure estimates of the Régie as relate to the distributors, as approved by the Government for the current fiscal year, and the accumulated surplus as relates to the distributors at the end of the preceding fiscal year, and presented as supplementary information to the audited financial statements of the Régie.

For the purpose of determining the volumes of gasoline, diesel fuel, light heating oil and heavy heating oil, for each distributor referred to in this Regulation, the Régie takes into account the volumes stated for its fiscal year preceding 31 March for the purposes of the Regulation respecting the annual share payable to the Agence de l'efficacité énergétique approved by Order in Council 139-2008 dated 20 February 2008.

The duty payable by each distributor of a form of energy is the product of the rate multiplied by the volumes referred to in the first paragraph attributable to the distributor.

**2.** The annual duty payable by the electric power carrier for the fiscal year ending on 31 March 2009 corresponds to the adjusted expenditure estimates of the Régie in that regard and modified according to the remuneration established in the agreement authorized by the Gouvernement du Québec under section 85.4 of the Act respecting the Régie de l'énergie (R.S.Q., c. R-6.01) for the same fiscal year.

The annual duty payable by the electric power carrier for each subsequent fiscal year corresponds to the adjusted expenditure estimates of the Régie in that regard.

For the purposes of the first two paragraphs, the adjusted expenditure estimates correspond to the difference between the expenditure estimates of the Régie as relate to the electric power carrier, as approved by the Government for the current fiscal year, and the accumulated surplus as relates to the electric power carrier at the end of the preceding fiscal year, and presented as supplementary information to the audited financial statements of the Régie.

**3.** The duty payable by electric power or natural gas distributors and by the electric power carrier is payable in equal instalments on the first day of each month.

The amount of the last monthly instalment continues to apply until the last day of the month during which the expenditure estimates are adjusted as provided in the second paragraph of section 1 and the third paragraph of section 2. Any overpayment of or amount owing on the duty payable to the Régie for the fiscal year is to be equally apportioned over the remaining monthly instalments.

The annual duty payable by petroleum products, fuel or steam distributors is payable in one instalment on the first day of the month following the month in which the expenditure estimates are adjusted as provided in the second paragraph of section 1.

**4.** Distributors of petroleum products other than distributors that refine in Québec, trade with a refiner in Québec or bring into Québec more than 100 million litres of gasoline or diesel fuel per year intended for consumption in Québec are exempt from the application of this Regulation.

**5.** Any outstanding amount on the duty bears interest at the rate fixed under section 28 of the Act respecting the Ministère du Revenu (R.S.Q., c. M-31). The interest is capitalized monthly.

**6.** This Regulation replaces the Regulation respecting the annual duty payable to the Régie de l'énergie made by Order in Council 736-2004 dated 28 July 2004.

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

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## Draft Regulation

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

An Act to amend the Supplemental Pension Plans Act, particularly with respect to the funding and administration of pension plans  
(2006, c. 42)

### Supplemental pension plans — Amendments

Notice is hereby given, in accordance with sections 10 and 11 of the Regulations Act (R.S.Q., c. R-18.1), that the Regulation to amend the Regulation respecting supplemental pension plans, appearing below, may be submitted to the Government for approval on the expiry of 45 days following this publication.

The main objective of the draft Regulation is to implement, as of 1 January 2010, new measures on the funding of defined benefit pension plans introduced by the Act to amend the Supplemental Pension Plans Act, particularly with respect to the funding and administration of pension plans (2006, c. 42). The draft Regulation determines the elements that allow the establishment of

a reserve to increase benefit security, sets conditions for calculating the provision for adverse deviation and clarifies the rules for using letters of credit and the requirements for actuarial valuations.

The draft Regulation harmonizes the provisions relating to the partition of benefits between spouses with the institution of the civil union. Lastly, the draft Regulation includes certain minor administrative amendments.

Further information may be obtained by contacting Pierre Bégin, Régie des rentes du Québec, Place de la Cité, 2600, boulevard Laurier, Québec (Québec) G1V 4T3; telephone: 418 657-8732, extension 3914; fax: 418 659-8985; e-mail: pierre.begin@rrq.gouv.qc.ca

Any person wishing to comment on the draft Regulation is requested to submit written comments within the 45-day period to André Trudeau, President and Chief Executive Officer, Régie des rentes du Québec, Place de la Cité, 2600, boulevard Laurier, 5<sup>e</sup> étage, Québec (Québec) G1V 4T3. The comments will be sent by the Régie to the Minister of Employment and Social Solidarity, responsible for the administration of the Supplemental Pension Plans Act.

SAM HAMAD,  
*Minister of Employment and Social Solidarity and  
Minister responsible for the Capitale-Nationale region*

## Regulation to amend the Regulation respecting supplemental pension plans\*

Supplemental Pension Plans Act  
(R.S.Q., c. R-15.1, s. 244, 1st par., subpars. 1, 4, 6, 7, 8, 11 and 14; 2006, c. 42, s. 40; 2008, c. 21, s. 35)

An Act to amend the Supplemental Pension Plans Act, particularly with respect to the funding and administration of pension plans  
(2006, c. 42, s. 53)

**1.** The Regulation respecting supplemental pension plans is amended by replacing section 4 by the following:

“**4.** A report on a complete actuarial valuation referred to in section 120 of the Act must contain the information and statements of the actuary provided

for in Section 3600 of the procedure entitled Standard of Practice for Valuation of Pension Plans according to the revised version approved on 27 December 2007 by the Actuarial Standards Board of the Canadian Institute of Actuaries, the information provided for in sections 4.1 to 4.6 and the following information:

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

(2) the date of the actuarial valuation;

(3) the number of active members apportioned, where applicable, according to whether their benefits are accumulated under defined contribution provisions, defined benefit provisions or both types of provisions, the number of non-active members to whom no pension is being paid and the number of the other non-active members and beneficiaries whose benefits are covered by the actuarial valuation;

(4) a summary of the provisions of the plan that must be taken into account for the purposes of the valuation, including those bearing on contributions, normal retirement age, conditions to be met to be entitled to an early pension, pension indexation formula, assumptions used in accordance with the second paragraph of section 61 of the Act and the refunds and benefits payable under the pension plan;

(5) the name of the signatory, the signatory's professional title, the name and address of the signatory's office and the date of signing.

**4.1.** With respect to the portion of the actuarial valuation of the plan performed on a solvency basis, the report must contain the following information:

(1) the value of the plan's assets, the value of the plan's liabilities established without reference, if applicable, to any amendment to the plan considered for the first time at the valuation date, and the actuarial assumptions and methods used to determine the values;

(2) the value of the plan's liabilities determined by taking into account, if applicable, any amendment to the plan considered for the first time at the valuation date and distributed among the group of active members of the plan, the group of non-active members to whom no pension is paid and the group of the other non-active members and beneficiaries, the actuarial assumptions and methods used to determine the value, and the degree of solvency of the plan;

\* The Regulation respecting supplemental pension plans, approved by Order in Council 1158-90 dated 8 August 1990 (1990, *G.O.* 2, 2318), was last amended by the regulation approved by Order in Council 204-2005 dated 16 March 2005 (2005, *G.O.* 2, 703) and by section 5 of chapter 1 of the Statutes of 2009. For previous amendments, refer to the *Tableau des modifications et Index sommaire*, Québec Official Publisher, 2008, updated to 1 September 2008.

(3) the estimated amount of the administration costs referred to in the first paragraph of section 123 of the Act;

(4) where the plan provides for obligations to which the last sentence of the first paragraph of section 124 of the Act applies:

(a) a description of the obligations;

(b) the scenario used by the actuary to determine the plan's liabilities and, where that scenario results in liabilities that are less than the value of the obligations arising from the plan assuming that the plan is terminated on the valuation date in such circumstances that the benefits accrued to the members must be estimated at their maximum value, such maximum value;

(5) the description of the approach used to estimate the premium referred to in section 126 of the Act;

(6) where the plan is both solvent and funded, that amortization payments remain to be paid in connection with an improvement unfunded actuarial liability determined in a prior actuarial valuation and that the provision for adverse deviation is not calculated at the valuation date, a certificate from the actuary certifying that a calculation of the provision at that date would have determined that the plan's assets were lower than the liabilities increased by the provision for adverse deviation.

**4.2.** Where the provision for adverse deviation is calculated, the report must contain the following information:

(1) its amount, with an indication of the shares attributable to elements R and S of section 60.3;

(2) the amount of elements D, R and S of section 60.3;

(3) element  $d^R$  of section 60.4 and the actuarial assumptions and methods used to determine the element;

(4) the amount determined in accordance with paragraph 1 of element V of section 60.4 and element  $d^M$  of that section;

(5) the maximum amount of surplus assets that may be appropriated to the payment of employer contributions, determined in accordance with section 146.3.4 of the Act.

**4.3.** With respect to the portion of the plan's actuarial valuation performed on a funding basis, the report must contain the following information:

(1) the value of the plan's assets, the value of the liabilities determined without reference to any amendment to the plan considered for the first time at the valuation date and the actuarial assumptions and methods used to determine the values;

(2) the value of the plan's liabilities determined by taking into account, if applicable, any amendment to the plan considered for the first time at the valuation date and distributed among the group of active members of the plan, the group of non-active members to whom no pension is paid and the group of the other non-active members and beneficiaries, and the actuarial assumptions and methods used to determine the value;

(3) the amount established in accordance with the first paragraph of section 135 of the Act.

**4.4.** Where the actuarial valuation determines the value of the additional obligations arising from an amendment to the plan considered for the first time, the report must contain the following information:

(1) a summary of the amendment covered by the valuation and the date and effective date of the amendment;

(2) the value, determined on a solvency basis, of the additional obligations arising from the amendment;

(3) where the provision for adverse deviation is calculated, the amount of surplus assets determined on a solvency basis that may be appropriated to the payment of that value;

(4) the special amortization payment determined under section 132, where applicable;

(5) the value, determined on a funding basis, of the additional obligations arising from the amendment;

(6) the amount of surplus assets determined on a funding basis that may be appropriated to the payment of that value.

**4.5.** With respect to unfunded actuarial liabilities, the report must contain the following information:

(1) for each solvency deficiency determined under section 130 of the Act:

(a) the type:

(b) the date of its determination and the date of the end of the period provided for its amortization;

(c) the monthly amounts related to the amortization payments to be paid until the end of that period and their present value;

(2) a description of the amendments made under section 131 of the Act to the solvency deficiencies indicated in the last report on an actuarial valuation of the plan;

(3) the amount of the funding deficiency, the date of the end of the period provided for its amortization and the monthly amounts related to the amortization payments to be paid until that date.

**4.6.** The report must contain the following financial information:

(1) the current service contribution projected for the fiscal year covered by the actuarial valuation and the rule used to determine the service contributions for the two subsequent fiscal years;

(2) the amounts to be paid respectively by the employer and by the members, and, for each amount, in the case of a defined benefit plan for which certain provisions are identical to those of a defined contribution plan, the share that must be paid for those provisions and the share that must be paid for the defined benefit provisions;

(3) the employer contribution provided for in the plan, if it is greater than the contribution provided for in section 39 of the Act;

(4) a description of the adjustments to the contributions arising from the application of the third paragraph of section 41 of the Act;

(5) the amount of the letter of credit, or the total amount of such letters, and the amount taken into account in the assets to determine the plan's solvency.”

**2.** Section 5 is replaced by the following:

“**5.** A report on a partial actuarial valuation carried out under the conditions provided for in the second paragraph of section 118 of the Act must contain the information provided for in sections 5.1 to 5.4 and the following information:

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

(2) the date of the actuarial valuation;

(3) the name of the signatory, the signatory's professional title, the name and address of the signatory's office and the date of signing;

(4) a certification of the actuary certifying that a complete actuarial valuation of the plan carried out at the valuation date would have shown that the plan is both solvent and funded.

**5.1.** Where, in accordance with section 60.5, the provision for adverse deviation is estimated, the report must contain the following information:

(1) the amount;

(2) a certification of the actuary certifying that a complete actuarial valuation of the plan carried out at the valuation date would have established an amount for the provision for adverse deviation equal to or less than the amount indicated in paragraph 1;

(3) the maximum amount of surplus assets that may be appropriated to the payment of employer contributions;

(4) a certification of the actuary certifying that a complete actuarial valuation of the plan carried out at the valuation date would have determined a maximum amount of surplus assets that may be appropriated to the payment of employer contributions at least equal to the amount indicated in paragraph 3.

**5.2.** Where the actuarial valuation determines the value of the additional obligations arising from an amendment to the plan considered for the first time, the report must also contain the following information:

(1) a summary of the amendment that is the subject of the valuation, the date and effective date of the amendment;

(2) the value of the additional obligations arising from the amendment, determined on a solvency basis and on a funding basis;

(3) where the provision for adverse deviation is estimated,

(a) the amount of surplus assets that may be appropriated to the payment of the value of the additional obligations arising from the amendment, determined on a solvency basis, and the amount determined on a funding basis;

(b) a certification of the actuary certifying that a complete actuarial valuation carried out at the valuation date would have established amounts at least equal to the amounts referred to in subparagraph a;

(4) where the provision for adverse deviation is not estimated, a certification of the actuary certifying that a calculation of the provision carried out at the valuation date would have established that the plan's assets are less than the liabilities increased by the provision for adverse deviation.

**5.3.** With respect to unfunded actuarial liabilities, the report must contain the following information:

(1) for each improvement unfunded actuarial liability determined under section 130 of the Act,

(a) the date on which it was determined and the date of the end of the period provided for its amortization;

(b) the monthly amounts related to the amortization payments to be paid until the end of that period and their present value;

(2) a description of the amendments made under section 131 of the Act to the solvency deficiencies indicated in the last report on an actuarial valuation of the plan.

**5.4.** The report must contain the following financial information:

(1) the current service contribution projection for the first fiscal year covered by the actuarial valuation, determined on the basis of the rule defined during the last complete actuarial valuation and adjusted, if applicable, to take into account any amendment considered for the first time after that last valuation;

(2) the amounts that must be paid respectively by the employer and by the members, and, for each amount, in the case of a defined benefit plan for which certain provisions are identical to the provisions of a defined contribution plan, the share that must be paid for the provisions and the share that must be paid for the defined benefit provisions;

(3) the employer contribution provided for in the plan, if the contribution is greater than the contribution provided for in section 39 of the Act;

(4) the amount of the letter of credit, or the total amount of such letters, and the amount taken into account in the assets for the purpose of determining the plan's solvency;

(5) a description of the adjustments to the contributions arising from the application of the third paragraph of section 41 of the Act.”.

**3.** Section 14 is amended by adding the following after the third paragraph:

“In the event of failure to produce the report referred to in section 120 of the Act or a document that must accompany the report, additional fees equal to 20% of the fees calculated under section 13.0.1 regarding the document referred to in that section must be paid to the Régie for each complete month of delay, up to the amount of the latter fees.”.

**4.** The following is inserted after section 15:

**“DIVISION II.0.0.1  
LETTER OF CREDIT**

**15.0.0.1.** The letter of credit referred to in section 42.1 of the Act is an irrevocable standby letter of credit. It is established in accordance with form 3.

**15.0.0.2.** The letter of credit must be issued by a financial institution that meets the following requirements:

(1) it is authorized to issue letters of credit in Québec or elsewhere in Canada where an agreement referred to in section 249 of the Supplemental Pension Plans Act (R.S.Q., c. R-15.1) applies;

(2) any of the following credit rating organizations gives it the rating indicated on the same line as the organization's name in the following table, or a higher rating:

Credit rating organization	Rating
Dominion Bond Rating Service	A
Fitch Ratings	A
Moody's Investors Service	A2
Standard & Poor's	A

**15.0.0.3.** The date of expiry of the letter of credit must correspond to the date of the end of a fiscal year of the pension plan.

**15.0.0.4.** The pension committee must, at the request of the employer, agree to reduce the amount of the letter of credit in the following cases:

(1) the employer pays to the pension fund an amount equivalent to the amount of the reduction requested;

(2) the report on the last actuarial valuation of the pension plan the date of which is not prior to the date of the end of the last fiscal year of the plan shows assets greater than liabilities increased by the provision for adverse deviation.

In the case referred to in subparagraph 2 of the first paragraph, the maximum amount of the reduction is equal to the amount of surplus assets over the sum of the following amounts:

(1) the plan's liabilities;

(2) the provision for adverse deviation;

(3) the amount of surplus assets that may be appropriated to the payment of employer contributions for the period included between the date of the actuarial valuation and the

first end-date of a fiscal year following the date of that valuation, considering section 41 of the Act and the third and fourth paragraphs of this section;

(4) the amount of surplus assets that may be appropriated to the payment of employer contributions for the first nine months of the fiscal year that follows the fiscal year referred to in subparagraph 3.

Where the total of the amounts referred to in subparagraphs 3 and 4 of the second paragraph exceeds the maximum amount of surplus assets that may be appropriated to the payment of employer contributions under section 146.3.4 of the Act, the amounts are proportionally reduced so that their sum equals that maximum amount.

An employer may, by sending a written notice to the pension committee, change the amounts referred to in subparagraphs 3 and 4 of the second paragraph, provided the total of the amounts changed does not exceed the total of the amounts reduced pursuant to the third paragraph.

Where the amount of the letter of credit is reduced pursuant to subparagraph 2 of the first paragraph and the report on the actuarial valuation is subsequently amended or replaced, the value of the plan's assets determined on a solvency basis must be established, for the purposes of the amendment or replacement, taking into account the reduction of the amount of the letter of credit.

**15.0.0.5.** In the event of non-renewal of the letter of credit, the financial institution that has issued the letter must pay the amount of the letter to the pension fund. The payment is not required if the pension committee sends, at least 30 days before the date of expiry of the letter, a written notice to that effect to the financial institution. A copy of that notice must immediately be sent to the Régie.

**15.0.0.6.** Where the pension committee becomes aware that a letter of credit provided to the committee no longer meets the standards of this Regulation, the committee must immediately inform the employer. If the employer fails to provide to the committee, within 30 days of the notice, a new letter of credit or an amount equivalent to the amount of the letter of credit, the pension committee must request the payment of that amount.

**15.0.0.7.** In the event of termination of a pension plan, the pension committee must request the payment of the letter of credit in the amount required so that the value of the plan's assets is equal to the value of its liabilities at the termination date, increased by the interest calculated at the rate determined pursuant to section 61 of the Act and that applied at the termination date.

The pension committee must agree to the cancellation of the letter of credit for the amount remaining to be paid.”.

**5.** Section 19 is amended

(1) by replacing “assigns” in subparagraph 4 of the first paragraph by “successors”;

(2) by inserting “, dissolution or annulment of a civil union,” in subparagraph 6 of the first paragraph after “marriage”;

(3) by replacing “provided” in subparagraph 7.1 of the first paragraph in the English text by “unless”.

**6.** Section 21 is amended by replacing “by Statistics Canada and published in the Bank of Canada Review under identification number B-14013” in the first paragraph by “monthly by Statistics Canada and published in the Bank of Canada Banking and Financial Statistics, Series V 1222487”.

**7.** Section 24.1 is amended by inserting “in the same year” after “indirectly” in the paragraph preceding paragraph 1.

**8.** Section 29 is amended

(1) by inserting “, dissolution or annulment of a civil union,” after “marriage” in subparagraph 7 of the second paragraph;

(2) by replacing “provided” in subparagraph 8 and “provided that” in subparagraph 8.1 of the second paragraph in the English text by “unless”.

**9.** Section 30 is amended

(1) by striking out “life” in paragraph 5;

(2) by inserting “, dissolution or annulment of a civil union,” after “marriage” in paragraph 6.

**10.** Section 33 is amended

(1) by inserting the following definition after “period of membership”:

““valuation date” means

(1) for the purposes of preparing the statement referred to in section 108 of the Act,

(a) the date of the institution of the action, if the application for the statement is made after the institution of an action provided for in the first paragraph of section 108;

(b) the date the member and the member's spouse ceased to live together, if the application for the statement is made on the occasion of mediation concerning a family matter;

(c) the date set for determining the net value of family patrimony, if the application for the statement is made during a joint procedure before a notary for the dissolution of a civil union;

(d) the date of the cessation of the conjugal relationship, if the application for the statement is made following the cessation of the conjugal relationship of spouses not bound by marriage or a civil union;

(2) for any other purposes, the date set for the valuation of the member's benefits in the pension plan by the judgment, transaction contract or agreement giving rise to the partition or transfer of the benefits or, if there is no provision in the judgment, contract or agreement, the date provided for by the act governing the partition of the spouses' property. (*date de l'évaluation*);

(2) by inserting “, dissolution or annulment of a civil union,” after “marriage” in the definition of “date of institution of the action”;

(3) by replacing “where the member is active at the date of institution of the action or, in the case of unmarried spouses, at the date of cessation of the conjugal relationship, the date on which he ceases to be active corresponds to the date of institution of the action or, where applicable, to the date of cessation of the conjugal relationship” in the definition of “period of membership” by “where the member is active on the valuation date, the date on which the member ceased to be an active member corresponds to the valuation date”;

(4) by striking out “, 35.2” after “35” in the second paragraph.

## **11.** The following is inserted after section 33:

**“33.1.** For the purposes of sections 34 to 45 regarding married spouses whose marriage entailed the dissolution of their civil union:

(1) the date of the marriage is replaced by the date of the civil union;

(2) the period of the marriage begins on the date of the civil union.”

## **12.** Section 34 is amended

(1) by inserting the following after subparagraph 2 of the first paragraph:

“(2.1) in the case of civil union spouses:

(a) proof of the date of their civil union;

(b) any of the following documents, as the case may be:

i. proof of the date on which the action was instituted;

ii. where the application is made on the occasion of a mediation, a joint declaration of the date on which the spouses ceased to live together;

iii. where the application is made during a joint procedure before a notary for the dissolution of the civil union, a joint declaration of the date set for determining the net value of family patrimony;”;

(2) by inserting “or civil union” after “de facto” in subparagraph 3 of the first paragraph;

(3) by adding the following at the end of the second paragraph:

“The application made during a joint procedure before a notary for the dissolution of the civil union must also contain a written confirmation of a notary to the effect that he or she received a mandate in connection with the joint procedure.”.

## **13.** Section 35 is amended

(1) by replacing subparagraph 1 of the second paragraph by the following:

“(1) the total benefits accumulated by the member from the date on which he or she became a member of the plan until the valuation date, and the value of those benefits;”;

(2) by inserting “or civil union” after “married” in the part of subparagraph 4 of the second paragraph preceding subparagraph *a*;

(3) by inserting “or civil union” after “marriage” in subparagraph *a* of subparagraph 4 of the second paragraph;

(4) by inserting “or civil union” after the word “marriage” everywhere it appears in subparagraph *b* of subparagraph 4 of the second paragraph.

**14.** Section 35.1 is amended

(1) by replacing paragraph 2 by the following:

“(2) in the case of married or civil union spouses, the date of the marriage or civil union and the valuation date;”;

(2) by inserting “or spouses that are not in a civil union” after “spouses” in paragraph 3;

(3) by replacing paragraph 10 by the following:

“(10) in the event that, before producing the statement, the member’s pension was determined to take into account entitlement of his or her spouse to the pension referred to in section 87 of the Act, a brief description of the rights and obligations arising from section 89.1 of the Act.”.

**15.** Section 35.2 is revoked.**16.** Section 36 is replaced by the following:

“**36.** The total benefits accumulated by the member must be distributed according to their nature as capital benefits or pension benefits.

The benefits related to member contributions, with accrued interest, in excess of the limit set in section 60 of the Act and the benefits related to the additional pension benefits provided for in section 60.1 of the Act are included in pension benefits.

**36.1.** The total benefits accumulated by the member correspond either to the retirement, disability or replacement pension to which the member is entitled at the valuation date, or, if the member is not entitled to one of the pensions at the valuation date, to the deferred pension to which the member would be entitled if he or she terminated active membership on that date.

Any phased retirement benefit to which the member is entitled at the valuation date and the following amounts established on that date with accrued interest or the benefit constituted by those amounts and interest are included in the total benefits accumulated by the member:

(1) additional voluntary contributions, optional ancillary contributions and excess optional ancillary contributions credited to the member;

(2) excess member contributions over the limit set in section 60 of the Act;

(3) the additional pension benefit provided for in section 60.1 of the Act;

(4) the amounts previously transferred even otherwise than under section 98 of the Act.”.

**17.** Section 37 is amended

(1) by replacing the first paragraph by the following:

“**37.** The value of the member’s total benefits corresponds to the value of the capital benefits and of the pension benefits accumulated at the valuation date.”;

(2) by adding the following at the end of the second paragraph:

“The value is determined without taking into account the progression of the member’s remuneration after that date.”;

(3) by replacing “the benefits of the member correspond” in the part of the third paragraph preceding the formula by “the member is entitled, on that date.”;

(4) by replacing the fourth paragraph by the following:

“However, in the case of a member whose benefits correspond to a deferred pension to which the member would be entitled if the member terminated active membership on the valuation date, the value of the benefits related to the additional benefit referred to in section 60.1 of the Act and, unless the member has received payment of the benefit provided for in subdivision 0.1 of Division III of Chapter VI of the Act, the value of the benefits related to member contributions, with accrued interest, in excess of the limit set in section 60 of the Act are established assuming that the value of the deferred pension to which the member is entitled in accordance with the terms of subparagraph 1 of the first paragraph of section 60 of the Act and, for the purpose of calculating elements A and B of section 60.1 of the Act, is, with respect to the member’s service credited for the period during which section 60 of the Act applied with respect to the member, the value established according to the formula provided for in the third paragraph of this section.”.

**18.** The following is inserted after section 37:

“**37.1.** Where the valuation date corresponds to a date other than the date of the institution of the action and the value of the member’s benefits at the valuation date is not known, the value of the member’s total benefits corresponds to amount E in the following formula:



$$V \times \frac{P}{X} = E$$

“V” represents the value established in accordance with section 37 on the date of the institution of the action or on the date on which the transaction contract has been executed before a notary or, failing that, on the date of application for the statement;

“p” represents the number of months in the period of membership relative to the benefits included between the date on which the member’s membership began and the valuation date;

“X” represent the number of months in the period of membership relative to the benefits included between the date on which the member’s membership began and the date on which value V is established.”.

**19.** The heading of subdivision 4 of Division V is amended by adding “or civil union” after “marriage”.

**20.** Section 38 is replaced by the following:

“**38.** Where the member is entitled to a retirement, disability or replacement pension at the valuation date, the value of the benefits accumulated by the member on the date of his or her marriage or civil union is established assuming that the member is also entitled to such a pension for the service credited until that latter date.”.

**21.** Section 39 is amended

(1) by inserting “or civil union” after “marriage” in the part of the first paragraph preceding paragraph 1;

(2) by inserting the words “or civil union” after the word “marriage” everywhere it appears in subparagraphs 1 and 2 of the first paragraph;

(3) by replacing “date on which proceedings were instituted”, “date of the institution of proceedings”, “date of institution of proceedings”, “date on which proceedings were instituted” and “date of institution of the action” in subparagraphs 1 and 2 of the first paragraph by “valuation date”;

(4) by replacing “Bank of Canada Review under identification number B-14045” in the third paragraph by “Bank of Canada Banking and Financial Statistics, Series V122515”.

**22.** Section 40 is amended

(1) by inserting “or civil union” after “marriage”;

(2) by inserting “or civil union” after “marriage”;

(3) by replacing “date of institution of the action” by “valuation date”.

**23.** Section 41 is amended

(1) by inserting “or civil union” after “marriage” in the part preceding the formula;

(2) by replacing the words “date of institution of the action” everywhere they appear in elements G, T and a by “valuation date”;

(3) by inserting “or civil union” after “marriage” in element a;

(4) by inserting “or civil union” after “marriage” in element A.

**24.** Section 42 is replaced by the following:

“**42.** Where the member’s benefits have been partitioned or transferred to a spouse on a date prior to the valuation date, the value of the benefits accumulated during the most recent marriage or civil union must be determined as follows:

(1) where the residual value of the capital benefits or the amount of the residual pension arising from the partition or transfer is known, it corresponds to amount N in the following formula :

$$[ G - R ] \times \frac{M}{Q} = N$$

“G” represents the total residual value of the capital benefits or, in the case of pension benefits, the value of the total residual pension, at the valuation date;

“R” represents

— in the case of capital benefits, their residual value at the date of the valuation of the previous partition or transfer, increased by interest calculated at the rate provided for in the second paragraph of section 39, for the period between that date and the valuation date;

— in the case of pension benefits, the value, at the valuation date, of the residual pension at the date of the valuation of the previous partition or transfer;

“M” represents the number of months of membership in the period of the most recent marriage or civil union;

“Q” represents the number of months of membership between the date of the valuation of the previous partition or transfer and the valuation date;

(2) where the residual value of the capital benefits or the amount of the residual pension arising from that partition or transfer is not known, it corresponds to the total residual value of the member’s benefits, adjusted pro rata to the number of months of the most recent marriage or civil union included in the period of membership over the total number of months elapsed before and during that marriage or civil union and included in that period of membership.”.

**25.** Section 43 is amended

(1) by inserting “or civil union” after “recent marriage”;

(2) by inserting “or civil union” after “that marriage”.

**26.** Section 44 is replaced by the following:

“44. Where the valuation date corresponds to a date other than the date of institution of the action and the value of the member’s benefits at the valuation date is not known, the value of the benefits accumulated by the member during the marriage or civil union is established by taking into account the following rules:

(1) the value of the capital benefits accumulated during the marriage or civil union is determined in the manner provided for in subparagraph 2 of the first paragraph of section 39 or, where applicable, section 42;

(2) for any purposes other than calculating the number of months in the period of membership included between the date of the marriage or civil union and the valuation date, the date of institution of the action, the date on which the transaction contract is executed before a notary or, failing that, the date of the application for the statement is considered the valuation date for the purposes of sections 36.1 to 43.”.

**27.** Section 45 is replaced by the following:

“45. The total value of the benefits accumulated by the member during the member’s marriage or civil union is equal to the sum of the value of the capital benefits and of the pension benefits accumulated during that period.”.

**28.** Section 46 is replaced by the following:

“46. The application for partition or transfer of the member’s benefits must be submitted with a copy of the following documents:

(1) if it follows a judgment ordering separation from bed and board, divorce, annulment of marriage or civil union, dissolution of a civil union or payment of a compensatory allowance,

(a) that judgment and any other judgment related to the partition or transfer of the member’s benefits;

(b) the certificate of non-appeal;

(c) where applicable, the agreement entered into by the spouses on the partition or transfer of the member’s benefits;

(2) if it follows the dissolution of a civil union by notarized joint declaration, the declaration and the transaction contract;

(3) if it follows the cessation of the conjugal relationship of unmarried spouses or spouses not in a civil union, the agreement entered into by the spouses on the partition of the member’s benefits.”.

**29.** Section 47 is amended by replacing “value of the benefits claimed” in the first paragraph by “amount claimed”.

**30.** Section 48 is amended

(1) by replacing “to the amount” in the first paragraph by “to the sum”;

(2) by replacing the second paragraph by the following:

“Interest accrues from the valuation date.”.

**31.** Section 49 is amended

(1) by adding “or civil union” at the end of the first paragraph

(2) by replacing the second paragraph by the following:

“Where the judgment, the agreement entered into by married or civil union spouses, or the notarized transaction contract does not provide for the amount or the portion of the value of the member’s benefits allocated to the spouse, the value of the benefits that the member accumulated during the marriage or civil union is divided equally between the spouses.”.

**32.** Section 50 is amended

(1) by replacing “corresponding to the benefits granted to the spouse” in the part of the first paragraph preceding subparagraph 1 by “allocated to the spouse, increased by the interest”;

(2) by replacing subparagraph 2 of the first paragraph by the following:

“(2) provided that the plan so allows,

(a) where the spouse already has benefits under the plan, transfer the sum to the account of the spouse;

(b) where the spouse does not have benefits under the plan, grant to the spouse, who then is deemed to be a member, benefits under the plan”;

(3) by replacing subparagraphs *a* and *b* of subparagraph 3 of the first paragraph by the following:

“(a) the partitioned or transferred benefits correspond to a refund to which the member would have been entitled at the valuation date, it being understood that subject to subparagraph *b*, the amount granted to the spouse may not be paid to the spouse in a proportion greater than the proportion in which the member’s benefits could have been refunded to the member;

(b) on the date of the application, the amount in question is less than 20% of the maximum pensionable earnings determined under the Act respecting the Québec Pension Plan for the year in which the transfer of partition is applied for;”;

(4) by replacing the second paragraph by the following:

“Where the spouse fails to indicate to the pension committee the payment method selected from those mentioned in the first paragraph,

(1) the interest referred to in section 48 ceases to accrue on the expiry of the period during which the committee must act according to that paragraph and begins to accrue again, if applicable, only at the date on which the spouse indicates his or her selection;

(2) the pension committee may, on its own initiative and as soon as the period expires, transfer the sum to be paid into one of the plans referred to in subparagraph 1, 2 or 3 of the first paragraph, as the case may be.”.

**33.** Section 52 is replaced by the following:

“52. Sections 143 and 145 to 146 of the Act apply, with the necessary modifications, to the sum that may be the subject of a measure provided for in subparagraph 1 or 3 of the first paragraph of section 50.

The sum paid or transferred in accordance with subparagraph 1 or 3 of the first paragraph of section 50 must bear, to the sum granted to the spouse increased by interest, a proportion at least equivalent to the proportion that the contributions, amounts and interest referred to in section 145.1 of the Act bear to the total value of the member’s benefits.”.

**34.** Section 53 is amended by inserting “or civil union, dissolution of the civil union” after “marriage”.

**35.** Section 54 is amended

(1) by replacing “no pension” in the first paragraph by “no retirement, disability or replacement pension”;

(2) by replacing “value of the benefits attributed to the spouse” in the first paragraph by “sum paid to the spouse or transferred to the spouse’s account”.

**36.** Section 55 is amended

(1) by replacing “the amount attributed to the spouse” in subparagraph 1 of the first paragraph by “the sum paid to the spouse or transferred to the spouse’s account”;

(2) by replacing the first dash of subparagraph 2 of the first paragraph by the following:

“— any retirement, disability or replacement pension of which payment has begun is, after having been, where required, re-determined under section 89.1 of the Act, reduced by the proportion represented by the sum paid to the spouse or transferred to the spouse’s account over the value that the pension paid to the member on the day preceding the effective date of the judgment, dissolution of the civil union or cessation of conjugal relationship would have had on the date of execution of the partition or transfer, it being understood that the latter value is determined by using the same assumptions as those used to determine the value of the benefits attributed to the spouse;”;

(3) by replacing “any pension” in the second dash of subparagraph 2 of the first paragraph by “any retirement, disability or replacement pension”;

(4) by inserting “a phased retirement benefit and” after “exception of” in the third dash of subparagraph 2 of the first paragraph.

**37.** Section 56 is amended by replacing “value of all the benefits attributed to the spouse” by “sum paid to the spouse or transferred to the spouse’s account”.

**38.** Section 56.0.2 is amended

(1) by replacing “and 37” by “to 37.1”;

(2) by replacing “the date of institution of proceedings” by “the valuation date”.

**39.** Section 56.0.6 is amended

(1) by replacing “any pension” in the first and second dashes of subparagraph 2 of the first paragraph by “any retirement, disability or replacement pension”;

(2) by inserting “a phased retirement benefit and” after “except for” in the third dash of subparagraph 2 of the first paragraph.

**40.** Section 60 is amended by inserting the following after paragraph 1:

“(1.1) the internal by-laws of the pension committee;”.

**41.** The following is inserted after section 60:

**“DIVISION VI.1  
ACTUARIAL RESERVE AND PROVISION  
FOR ADVERSE DEVIATION**

**§1. Elements establishing the reserve**

**60.1** The following elements are likely to contribute to the establishment of the reserve provided for in section 128 of the Act:

(1) the contributions paid into the pension fund that exceed the contributions required for the pension plan to be solvent, including the contributions the employer is relieved from paying pursuant to section 42.1 of the Act;

(2) the favourable variances arising from the changes made to the actuarial assumptions and methods or the differences between the assumptions used and the results obtained, taking into account the return derived from the variances;

(3) the amendments to the plan that reduced the value of the members’ benefits.

**§2. Provision for adverse deviation**

**60.2.** In addition to the cases where it must be determined under the Act, the provision for adverse deviation provided for in section 128 of the Act is calculated during the last actuarial valuation of a pension plan on the basis of which

(1) amortization payments must be paid with respect to an improvement unfunded actuarial liability determined in a prior actuarial valuation while a complete actuarial valuation shows that the plan is both solvent and funded, unless an actuary certifies that the plan’s assets are less than the liabilities increased by the provision for adverse deviation;

(2) the amortization payments remaining to be paid in connection with any improvement unfunded actuarial liability determined in a prior actuarial valuation are eliminated pursuant to section 131 of the Act;

(3) the surplus assets are appropriated to the payment of employer contributions under section 146.3.4 of the Act;

(4) the employer applies for the reduction of the amount of the letter of credit under section 15.0.0.4.

The value of the liabilities taken into account for calculating the provision for adverse deviation is established without reference, where applicable, to any amendment to the plan considered for the first time in the valuation.

**60.3.** The provision for adverse deviation is equal to amount P in the following formula:

$$\frac{(1.75 \times D \times R) + (7\% \times S)}{100} = P$$

“D” represents the number determined in accordance with section 60.4;

“R” represents the value of the liabilities associated to the pensions paid, reduced by the value of the insured pensions paid by an insurer and increased, if the pension committee so decides, by the value of the benefits of the members in the pension plan who are less than 10 years under normal retirement age and to whom no pension is paid;

“S” represents the value of the plan’s liabilities reduced by an amount representing the sum of the following values:

(1) the value of the additional voluntary contributions and optional ancillary contributions paid into the pension fund, with interest accrued;

(2) the value of the contributions paid under a defined contribution plan to which Chapter X of the Act applies or under provisions that, in a defined benefit plan, are identical to the provisions of a defined contribution plan, with interest accrued;

(3) the value of the liabilities associated to the pensions paid, increased, if the pension committee so decides, by the value of the members' contributions to the pension plan who are less than 10 years under normal retirement age and to whom no pension is paid.

Where the value represented by R exceeds the amount calculated in accordance with paragraph 1 of element V of section 60.4, the surplus is added to the value of element S.

**60.4.** The following are fixed-income securities within the meaning of this section:

(1) a security paid by a debtor at a fixed interest rate, or fixed interest rates, up to its maturity;

(2) any security that exposes the portfolio to the return of a fixed-income security except a security that, in itself or by the effect of an operation effected on the security, exposes the portfolio to the return of a security that is not a fixed-income security;

(3) any portion of a mutual fund or a separate fund invested in a fixed-income security.

Where the value represented by R of section 60.3 is null, D of that section is equal to zero. In other cases, it corresponds to the result, in absolute value, of the following formula:

$$\frac{R \times d^R - V \times d^M}{R}$$

“R” represents element R of section 60.3;

“d<sup>R</sup>” represents the term of the liabilities constituting R;

“V” represents the lesser of

(1) the amount that is equivalent to the product of the assets of the pension plan at the date of the actuarial valuation and the average of the percentages represented by the amount of the fixed-income securities over the assets of the plan at the valuation date and the last day of

each of the 11 months preceding the day of the valuation or, in the case of a plan effective for less than a year, the last day of each month included between the date of coming into force of the plan and the valuation date, it being understood that the plan's assets are, for the purposes of each calculation provided for in this paragraph, reduced by the value of the insured pensions paid by an insurer on the relevant day;

(2) the amount that is equivalent to the value represented by element R;

“d<sup>M</sup>” represents the result of the sum of each amount used to calculate the average referred to in paragraph 1 of element V multiplied by its term, divided by the total of those amounts.

**60.5.** Element d<sup>M</sup> of section 60.4 is determined by the actuary responsible for the actuarial valuation using the terms calculated by the actuary who invests any part of the plan's assets.

For the purposes of a partial actuarial valuation, the actuary may estimate elements R and S of section 60.3 and the term of liabilities constituting element R.”.

**42.** Section 62 is amended by replacing “withdrawal, the assets allocated to the group consisting of the benefits of the members and beneficiaries affected by the withdrawal” in subparagraph 12 of the first paragraph by “the valuation of the benefits of the members and beneficiaries affected by the withdrawal, the assets allocated to the group consisting of the benefits”.

**43.** Section 64 is amended by replacing subparagraph 8 of the first paragraph by the following:

“(8) in the case of a plan to which Chapter X of the Act applies, the ratio of the value of the assets to the value of liabilities determined in accordance with section 212.1 of the Act, each value being reduced by an amount representing the sum of the following values:

(a) the value of additional voluntary contributions paid into the pension fund, with interest accrued;

(b) the value of contributions paid into the pension fund under provisions that, in a defined benefit plan, are identical to the provisions of a defined contribution plan, with interest accrued;

(c) the value of the sums received by the plan following a transfer even not covered by Chapter VII of the Act, with interest accrued;

(8.1) if applicable, the amount which must be paid under section 15.0.0.7;”

**44.** The following is inserted after section 69:

“**69.1.** Until it is determined under an actuarial valuation the date of which is after 14 December 2009, the portion of the employer contribution of which an employer may be relieved under section 42.1 of the Act may not exceed an amount corresponding to the amount obtained by multiplying by 20% the difference, established at the date of the last actuarial valuation of the pension plan, between the assets and liabilities of the plan, determined on a solvency basis.”

**45.** Section 70.0.1 is amended by inserting “pension” before “being” in the definition of element A in the English text.

**46.** Section 75 is replaced by the following:

“**75.** Where a member ceased to be an active member before 1 January 2001 and where the valuation date is prior to that date, the first paragraph of section 36.1 must be applied with respect to the service credited to the member before 1 January 1990 separately from the service credited after that date, taking into account the transitional provisions of the Act and assuming that, for the purposes of section 293 of the Act as it read before 1 January 2001, the period of continuous employment of the member ended on the valuation date.

Moreover, where the member is not entitled to a pension on the date on which the member ceased to be an active member or on the valuation date, as the case may be, the member’s total benefits correspond to a refund.”

**47.** The following is inserted after section 75:

“**75.1.** Subparagraph 1 of the second paragraph of section 50 does not apply where the application for partition is made to the pension committee before 1 January 2010.”

**48.** Sections 1.1, 13 and 13.0.3 are amended by replacing the words “plans exempted from the application of certain” everywhere they appear by the words “the exemption of certain categories of pension plans from the application of”.

**49.** This Regulation comes into force on 1 January 2010.

**Form 3**  
(s. 15.0.0.1)

**Irrevocable standby letter of credit**

**Financial institution issuing the letter of credit**

Name: \_\_\_\_\_

Address: \_\_\_\_\_

**Originator (employer)**

Name: \_\_\_\_\_

Address: \_\_\_\_\_

**Beneficiary (pension fund)**

Name: \_\_\_\_\_

**Beneficiary (administrator of the pension fund)**

Address: \_\_\_\_\_

**Letter of credit No.** \_\_\_\_\_

**Date of issue**

years	month	day

**Date of expiry**

years	month	day

At the request of \_\_\_\_\_,  
(Name of the originator)

the undersigned, \_\_\_\_\_,  
(Name of the financial institution  
issuing the letter of credit)

hereby issues an irrevocable standby letter of credit in  
favour of \_\_\_\_\_  
(Name of the beneficiary pension fund)

for the sum of \_\_\_\_\_  
(Amount in letters)

**Canadian dollars.** (CA\$ \_\_\_\_\_)  
(Amount in figures)

That amount is payable upon presentation of a written demand to \_\_\_\_\_  
 (Address in Québec of the place where the demand must be made)

The demand must mention the number and date of issue of the present letter of credit and be signed by a person authorized by the administrator of the pension fund to present the demand. Payment will be made to the order of the beneficiary pension fund.

The present letter of credit will be automatically renewed for a period of one year as of its date of expiry, and it will be renewed subsequently from year to year on each anniversary of its expiry, unless the undersigned notifies the originator, the administrator and the Régie des rentes du Québec, by certified or registered mail, not less than 90 days before the letter's expiry that the letter will not be renewed.

Indicate the option that applies to the contract:

In the event of non-renewal, a payment demand in accordance with the terms and conditions of the present letter of credit will be deemed to have been presented to the undersigned prior to the expiry on the date of expiry, unless the administrator sends the undersigned, no less than 30 days before the date of expiry, a written notice certifying that no payment is required. That notice takes effect on the date of expiry of the letter.

In the event of non-renewal, the undersigned pays the amount of the present letter of credit to the beneficiary at the time the beneficiary notifies the originator, the administrator and the Régie des rentes du Québec at the address indicated below that the beneficiary is not renewing the letter of credit.

The present letter of credit is subject to the statutes of Québec and is governed by the standards provided for in the Rules on International Standby Practices, 1998 (ICC, No. 590), insofar as those standards are compatible with the provisions of the Regulation respecting supplemental pension plans.

Made on 

years	month	day

 at \_\_\_\_\_  
 (Date of signing) (Municipality)

\_\_\_\_\_  
 (Signature of the representative of the financial institution issuing the letter of credit)

Régie des rentes du Québec  
 Direction des régimes de retraite  
 C.P. 5200 Québec (Québec) G1K 7S9

2600, boulevard Laurier, bureau 501  
 Québec (Québec)

9144