

Regulations and other Acts

Gouvernement du Québec

O.C. 863-2010, 20 October 2010

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

**Supplemental Pension Plans
— Settlement of the benefits of members and
beneficiaries of plans covered by subdivision 4.0.1
of Division II of Chapter XIII of the Act and for
administration by the Régie des rentes du Québec
of certain pensions paid out of the assets of
the plans**

Regulation to provide a framework for settlement of the benefits of members and beneficiaries of plans covered by subdivision 4.0.1 of Division II of Chapter XIII of the Supplemental Pension Plans Act and for administration by the Régie des rentes du Québec of certain pensions paid out of the assets of the plans

WHEREAS, under section 230.0.0.11 of the Supplemental Pension Plans Act (R.S.Q., c. R-15.1), the Government may make any regulation required for the purposes of subdivision 4.0.1 of Division II of Chapter XIII of that Act and may, in particular,

— set the rules applicable to the determination of the value of the benefits accrued to the members and beneficiaries and to the distribution of the assets and liabilities of a pension plan to determine which part of the pension fund of the plan must be administered by the Régie; and

— prescribe the terms and conditions that make it possible to improve the benefits of the members and beneficiaries referred to in section 230.0.0.4 of the Act;

WHEREAS, under the first paragraph of section 7 of the Act to amend the Supplemental Pension Plans Act and other legislative provisions in order to reduce the effects of the financial crisis on plans covered by the Act (2009, c. 1), the first regulation made by the Government under section 230.0.0.11 of the Supplemental Pension Plans Act is not subject to the publication requirement set out in section 8 of the Regulations Act (R.S.Q., c. R-18.1);

WHEREAS, under the second paragraph of that section 7, despite section 17 of the Regulations Act, such a regulation comes into force on the date of its publication in the *Gazette officielle du Québec*, or on any later date

set in the regulation. However, once it is published and if it so provides, it may apply from any date not prior to 31 December 2008;

WHEREAS it is expedient to make the Regulation to provide a framework for settlement of the benefits of members and beneficiaries of plans covered by subdivision 4.0.1 of Division II of Chapter XIII of the Supplemental Pension Plans Act and for administration by the Régie des rentes du Québec of certain pensions paid out of the assets of the plans, attached hereto;

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

THAT the Regulation to provide a framework for settlement of the benefits of members and beneficiaries of plans covered by subdivision 4.0.1 of Division II of Chapter XIII of the Supplemental Pension Plans Act and for administration by the Régie des rentes du Québec of certain pensions paid out of the assets of the plans, attached hereto, be made.

GÉRARD BIBEAU,
Clerk of the Conseil exécutif

**Regulation to provide a framework
for settlement of the benefits of
members and beneficiaries of plans
covered by subdivision 4.0.1 of
Division II of Chapter XIII of the
Supplemental Pension Plans Act and
for administration by the Régie
des rentes du Québec of certain
pensions paid out of the assets
of the plans**

Supplemental Pension Plans Act
(R.S.Q., c. R-15.1, s. 230.0.0.11)

**DIVISION I
GENERAL**

1. This Regulation applies to the pension plans covered by subdivision 4.0.1 of Division II of Chapter XIII of the Supplemental Pension Plans Act (R.S.Q., c. R-15.1).

2. Settlement of the benefits of the members and beneficiaries of the plans is to be effected in accordance with the Act, taking into account the adjustments under Division 2.

3. The administration of pensions paid by the Régie des rentes du Québec to plan members and beneficiaries who opted for that method of benefit payment is governed by Division 3.

4. The pension of a member or beneficiary affected by an employer's withdrawal or by termination of the plan cannot be guaranteed between the date of withdrawal or termination and the date on which the benefits are paid.

DIVISION 2

SETTLEMENT PROCESS FOR BENEFITS OF MEMBERS AND BENEFICIARIES

§1. Distribution of the pension fund

5. As soon as the pension committee has the information required to determine, at the date of withdrawal of an employer party to a multi-employer plan or of termination of the plan, the assets of the plan and the benefits of the members and beneficiaries affected by the withdrawal or termination, it must distribute the pension fund into two accounts, one of which is the portion of assets corresponding to the benefits, other than those referred to in subparagraph 1 of the first paragraph of section 218 of the Act, of the members and beneficiaries whose pension must, under section 237 of the Act, to be guaranteed by an insurer and that are payable pursuant to section 218.

For a withdrawal of an employer, the assets to be distributed are the portion of the plan's assets that is allocated to the group of benefits constituted pursuant to subdivision 3 of Division II of Chapter XIII of the Act and made up of the benefits of the members and beneficiaries affected by the employer's withdrawal.

6. If, under the scenario used by the actuary in charge of preparing the withdrawal or termination report, guaranteed benefits of certain members or beneficiaries cannot be used as provided in section 27 of this Regulation or in section 240 of the Act to guarantee the non-guaranteed benefits of other members or beneficiaries in the same account, the plan's assets must include the commuted value of the guaranteed benefits determined in the contract or, in the absence of such a value, their fair market value determined on the basis of reasonable assumptions and cancellation fees.

7. For an employer withdrawal, the value of the benefits of the members and beneficiaries affected by the employer's withdrawal that is to be used for the distribution into two accounts is the value that was used to distribute the plan's assets under section 220 of the Act.

For a termination of the plan, the value of the benefits that is to be used is the value referred to in section 212.1 of the Act. In spite of the foregoing, for the purpose of determining the plan's liabilities for the application of this section, the value of the pension that must be insured pursuant to section 237 of the Act is determined

(1) in cases where the pension was insured before the date of termination, on the basis of the premium established on that date using the assumptions for hypothetical wind-up and solvency valuations established by the Canadian Institute of Actuaries as they apply on the date on which the accounts are constituted; or

(2) in all other cases, by discounting, at the date of termination, according to a rate that is the estimated rate of return of the assets of the plan to the date on which the accounts are constituted, the premium established on the date on which the accounts are constituted using the assumptions for hypothetical wind-up and solvency valuations established by the Canadian Institute of Actuaries as they apply at that latter date.

The liabilities shall also comprise, in the cases referred to in subparagraph 2 of the second paragraph and in spite of the third paragraph of section 212.1 of the Act, the value of the pension payments paid out of the pension fund to a member or beneficiary between the termination date and the date on which the accounts are constituted, such value being determined according to the rate referred to in that subparagraph.

8. The distribution of the assets is effective as of the date on which the employer withdraws or the plan is terminated.

The rate of return of each account is the rate obtained on the investment of the plan's assets to the date on which the accounts are constituted. As of that date, the rate of return of each account is the rate obtained on the portion of the assets constituting the account.

§2. Withdrawal or termination report

9. Within 60 days of the date on which it is informed of a situation described in section 199 of the Act that gives rise to an amendment to the plan to cover the withdrawal of an employer from a multi-employer pension plan, the pension committee must file an application

for registration of the amendment with the Régie and, for approval, the report required under section 202 of the Act, hereinafter referred to as the withdrawal report.

Within 60 days after receipt of a notice of termination or a decision by the Régie terminating the pension plan, the pension committee must send the Régie, for approval, the termination report required under the first paragraph of section 207.2 of the Act.

If all or any part of the plan is under provisional administration, the time limit set out in the first and second paragraphs begins to run only on the effective date of the Régie's decision whereby it assumes the provisional administration or designates the person or body to whom it is entrusted.

10. A pension committee proposing to apply for registration of the amendment allowing for the withdrawal of an employer is not required to send the notice required by section 200 of the Act; it must, however, inform the members as provided in section 26 of the Act.

11. The withdrawal or termination report must contain, in addition to the information required, as the case may be, by section 202 or 207.2 of the Act,

(1) if an instruction has been given in respect of the pension plan under section 2 of the Regulation respecting measures to reduce the effects of the financial crisis on pension plans covered by the Supplemental Pension Plans Act, made by Order in Council number 1153-2009, dated 4 November 2009 (2009, *G.O.* 2, 3649 and 3897), the pension that would have been paid or the value of the pension benefit that would have been established, at the date of the withdrawal or termination, for each of the members and beneficiaries referred to in section 230.0.0.2 or 230.0.0.3 of the Act if the plan's assets had been increased, on that date, by the difference amount referred to in the third paragraph of section 230.0.0.9 of the Act;

(2) the date on which the accounts are constituted under subdivision 1 and the assets in each account on the date of the withdrawal or termination;

(3) a description of the scenario used by the actuary to determine the value referred to in section 6 for each account;

(4) a description of the method to be used at the time the benefits are settled to take into account any variations in the assets and liabilities of each account between the date of the withdrawal or termination and the date of the settlement; and

(5) certification by the author of the report, in addition to the requirements of, as the case may be, subparagraph 14 of section 62 or subparagraph 13 of section 64 of the Regulation respecting supplemental pension plans, approved by Order in Council number 1158-90, dated 8 August 1990 (1990, *G.O.* 2, 2318), that the report was prepared in conformity with the provisions of this Regulation.

12. Section 212.1 of the Act applies for the purposes of the termination report. In spite of the foregoing, to determine the plan's liabilities for the application of this section, the value of the pension that must be insured pursuant to section 237 of the Act is determined:

(1) in cases where the pension was insured before the date of termination, on the basis of the premium established on that date using the assumptions for hypothetical wind-up and solvency valuations established by the Canadian Institute of Actuaries as they apply on the date on which the termination report is prepared; or

(2) in all other cases, by discounting, at the date of termination, according to a rate that is the estimated rate of return of the account set up for the members and beneficiaries whose pension is, under section 237 of the Act, to be insured by an insurer as of the date of termination until the date on which the termination report is prepared, the premium established on that latter date using the assumptions for hypothetical wind-up and solvency valuations established by the Canadian Institute of Actuaries as they apply on the date on which the report is prepared, increased by a margin that allows for any possible variation in the cost of purchasing the pension between that date and the probable date of settlement.

The liabilities shall also comprise, in the cases referred to in subparagraph 2 of the first paragraph, in spite of the third paragraph of section 212.1 of the Act, the value of the pension amounts paid out of the pension fund to a member or beneficiary between the termination date and the date on which the report is prepared, such value being determined according to the rate referred to in that subparagraph.

13. The difference amount referred to in the third paragraph of section 230.0.0.9 of the Act must be distributed between the two accounts constituted under subdivision 1.

The withdrawal or termination report must indicate that amount and the portion of it relating to each account.

14. The pension committee must, within the time set out in section 9, provide a copy of the report to the employer and, if applicable, to each certified association representing members, informing them that they may present written observations to the committee within 10 days of receipt of the copy of the report.

The copy supplied to the employer must be accompanied with a notice, a copy of which must be sent to the Régie, indicating that any amount due by the employer according to the report must be paid into the pension fund.

§3. *Statement of benefits and members' and beneficiaries' choices and options*

15. Within 30 days of receipt of the decision by the Régie approving the withdrawal or termination report, the pension committee must send each member or beneficiary affected by the employer's withdrawal or the termination of the plan a statement of benefits and their value along with the necessary information so that their choices and options may be exercised.

The time allotted for the members or beneficiaries to inform the pension committee of their choices and options expires on the seventy-fifth day after the date on which the pension committee receives the Régie's decision approving the withdrawal or termination report.

16. For an employer withdrawal, the statement of benefits must state

(1) the degree of solvency of the plan at the date of the withdrawal;

(2) the portion of the assets that is allocated to the group of members and beneficiaries affected by the withdrawal along with the amount of the reduction in benefits that the member or beneficiary would sustain if the employer's debt and the unpaid contributions were not collected;

(3) the information required by paragraph 2 of section 200 of the Act regarding the effect of full payment of a member's or beneficiary's benefits;

(4) the choices provided for in paragraph 3 or 4 of section 200 of the Act that apply to the member or beneficiary including, for each member or beneficiary to whom section 230.0.0.2 or 230.0.0.3 of the Act applies, the methods of payment provided for in the section that applies to the member or beneficiary;

(5) the expiry date of the time, set out in the second paragraph of section 15, within which the members or beneficiaries must indicate their choices, exercise their options and present observations, if any, to the pension committee;

(6) the information referred to in paragraphs 3 to 10 of section 58 of the Regulation respecting supplemental pension plans, prepared or updated to the withdrawal date; and

(7) the information required by subparagraphs 10 and 11 of the first paragraph of section 62 of the Regulation respecting supplemental pension plans, prepared with respect to the withdrawing employer.

The statement must also state that the withdrawal report and the data used to determine the member's or beneficiary's benefits or their value may be consulted without charge at the office of the pension committee or at the employer's establishment designated by the committee, whichever location is closer to the applicant's residence.

17. For a plan termination, the statement of benefits is the statement referred to in section 207.3 of the Act, with the following modifications:

(1) in subparagraph 1 of the first paragraph of that section, for each member or beneficiary to whom section 230.0.0.2 or 230.0.0.3 of the Act applies, the method of payment provided for in the section applicable to the member or beneficiary must be added; and

(2) the time that is set out in the second paragraph of section 15 must be indicated instead of the time mentioned in subparagraph 4 of that paragraph.

The statement must also state that if no choice is received by the pension committee before the expiry of the time set out in the second paragraph of section 15, the method of payment of the member's or beneficiary's benefits will be

(1) for a member or beneficiary to whom a pension is being paid at the date of termination, a pension paid out of the assets administered by the Régie under section 230.0.0.4 of the Act; or

(2) for any other member or beneficiary, a transfer referred to in section 236 of the Act to an instrument designated in the statement.

18. The statement of benefits must include, in the case of a member or beneficiary who, at the date of withdrawal or termination, would have been entitled to a pension had the member or beneficiary applied,

(1) the estimated amount of the pension reduced to take into account insufficient assets and, if an instruction has been given in respect of the plan under section 2 of the Regulation respecting measures to reduce the effects of the financial crisis on pension plans covered by the Supplemental Pension Plans Act, the estimated amount of the pension that could be paid by the Régie by taking into account the third paragraph of section 230.0.0.9 of the Act;

(2) for an active member at the date of withdrawal or termination or a non-active member at that date whose choices had not been received by the pension committee, a description of the choices set out in the pension plan; and

(3) a mention that the pension paid by the Régie has the same characteristics as the pension to which the member or beneficiary would have been entitled under the pension plan.

19. The statement of benefits must include, for a member or beneficiary to whom a pension is being paid on the date of the withdrawal or termination,

(1) the estimate of the pension value reduced to take into account insufficient assets, with a mention that the value may be transferred to a life income fund in a financial institution of the member's or beneficiary's choice;

(2) the estimated amount of the pension reduced to take into account insufficient assets and, if an instruction has been given in respect of the plan under section 2 of the Regulation respecting measures to reduce the effects of the financial crisis on pension plans covered by the Supplemental Pension Plans Act, the estimated amount of the pension that could be paid by the Régie by taking into account the third paragraph of section 230.0.0.9 of the Act; and

(3) a statement that the pension paid by the Régie has the same characteristics as the pension to which the member or beneficiary would have been entitled under the pension plan.

20. The statement of benefits must, where issued to a member or beneficiary referred to in section 230.0.0.2 or 230.0.0.3 of the Act, be accompanied by the information supplied by the Régie on the methods of payment referred to in those sections and on the administration of pensions paid by the Régie.

If the pension committee is informed of the formation of a representative association for the purposes of the pension plan of the members and beneficiaries to whom sections 230.0.0.2 and 230.0.0.3 of the Act apply, it must send the notice required by section 113.1 of the Act with the statement.

21. The pension committee must, if the pension plan has more than 25 members and beneficiaries referred to in section 230.0.0.2 or 230.0.0.3 of the Act, call them to an information session on the methods of payment provided for in those sections and on the administration of pensions, held by the Régie at the place and on the date the Régie indicates. The notice of the session must be given in writing at least 10 days before the date on which the session is to be held.

For plans having 25 or fewer members and beneficiaries thus referred, the committee must inform them that the Régie will hold such an information session if at least 60% of them request such a session at least 35 days before the expiry of the time allotted for members and beneficiaries to inform the committee of their choices and options. If necessary, the Régie must inform the members and beneficiaries at least 10 days before the information session is to be held.

The information session must be held within such time as to allow the members and beneficiaries at least 10 days after the session to inform the pension committee of their choices, exercise their options and to make observations, if any.

The costs relating to the holding of the information session are borne by the pension fund.

22. The pension committee must publish the notice required by section 207.4 of the Act which also applies, with the necessary modifications, to withdrawals.

The notice published must also invite persons who believe they have rights in the pension plan allowing them to opt for a pension paid by the Régie under section 230.0.0.2 or 230.0.0.3 of the Act to take part in the information session held by the Régie, and indicate the place and date of the session, or to request that the Régie hold such a session, and must indicate the time in which the request must be made.

The pension committee must ensure that the publication takes place at least 5 days before the information session is to be held or the expiry of the time for requesting the session.

§4. Benefit payment procedure

23. Not later than 15 days after the expiry of the time allotted for members and beneficiaries to indicate their choices and options, the pension committee must send to the Régie

(1) for members and beneficiaries who on the date of the withdrawal or termination would have been entitled to a pension had they so applied, the information required to determine the amount of the pension payable to each member or beneficiary having opted for a pension paid out of the assets administered by the Régie; or

(2) for members and beneficiaries to whom a pension was being paid at the date of withdrawal or termination, the information required to determine the value of the pension of each member or beneficiary as well as a mention, for each of them, of the option chosen or of the fact that the member or beneficiary did not make a choice.

The Régie may, however, inform the pension committee that the information is not required.

24. Not later than 45 days after the expiry of the time allotted for members and beneficiaries to indicate their choices and options, the Régie must inform the pension committee of the premium to be used to determine, for settlement purposes, the value of the benefits of the members and beneficiaries who were being paid a pension on the date of the withdrawal or termination.

The premium must be

(1) the premium determined using the assumptions for hypothetical wind-up and solvency valuations established by the Canadian Institute of Actuaries as they apply at the date of the calculation effected for the purposes of settling the benefits of the members and beneficiaries affected; or

(2) the premium that would be paid to an insurer at the date of settlement had all the pensions paid been guaranteed on that date, as indicated by an insurer pursuant to an arrangement entered into between the Régie and the insurer concerning the pensions referred to in section 230.0.0.9 of the Act.

Despite the foregoing, to determine the value of the non-guaranteed benefits of a member or beneficiary who has requested that the pension be guaranteed by an insurer under section 230.0.0.3 of the Act, the premium to be used is the premium required by the insurer to guarantee the benefits.

25. The pension committee must, in accordance with the withdrawal or termination report and the Act, and taking into account, where applicable, any adjustments under this subdivision, settle the benefits of the members and beneficiaries affected by the withdrawal or termination within 5 days after the date on which the Régie informs it pursuant to section 24 of the premium to be used.

26. Section 218 of the Act applies for each of the accounts constituted under subdivision 1 as if the account were a separate asset.

27. If a member or beneficiary having a guaranteed pension opts for a replacement pension pursuant to paragraph 1 of section 230.0.0.3 of the Act, the insurer must, at the request of the pension committee, allocate the guarantee to the non-guaranteed benefits of other members or beneficiaries in the same account or, if such an allocation is not possible, pay into the pension fund the commuted value of the guaranteed pension on the date of the transfer or, if the contract does not provide for a commuted value, the fair market value of the guaranteed pension determined on the basis of reasonable assumptions and cancellation fees.

The value of the guaranteed pension to be transferred by the pension committee to the replacement instrument specified by the member or beneficiary must be the value of the pension, reduced to take into account asset insufficiency, to which the member or beneficiary is entitled. That value is determined at the date of settlement using the premium specified by the Régie.

28. The value of guaranteed surplus benefits referred to in section 240 of the Act must be used to guarantee any non-guaranteed benefits of other members or beneficiaries in the same account.

29. If, on the date of settlement, the assets of an account allow settlement in full of the benefits of the members and beneficiaries covered by the account, the surplus must be transferred to the other account, up to the amount required for settlement in full of the benefits of the members and beneficiaries in the latter account.

30. The pension committee and any other delegatee, representative or service provider must, not later than the date of settlement, send to the Régie all the information held on the members and beneficiaries who have opted for a pension paid out of the assets administered by the Régie.

For each member and beneficiary, it must furnish, in particular, the amount of the pension determined on the basis of the difference amount described in the third paragraph of section 230.0.0.9 of the Act and that has accrued on the date of settlement pursuant to the rates of return described in section 8.

31. Within 15 days of the benefit settlement, the pension committee must send to the Régie a report prepared by an actuary on the settlement of the members' and beneficiaries' benefits. The report must contain

(1) the assets of each account at the date of settlement and the portion of the difference amount described in the third paragraph of section 230.0.0.9 of the Act accrued on that date in each account;

(2) the pension benefits and refunds paid to each member or beneficiary at the date of settlement and the settlement percentage of the benefits of each member or beneficiary at that date;

(3) a reconciliation of the assets and liabilities of each account between the date of withdrawal or termination and the benefit settlement date including, for each account, asset yield, asset increase through recovery of amounts owing and any variation in liabilities; and

(4) certification by the author of the report that the report was prepared in conformity with the provisions of the Act and of this Regulation.

DIVISION 3 **PENSIONS PAID OUT OF ASSETS** **ADMINISTERED BY THE RÉGIE**

§1. Information sent to members and beneficiaries by the Régie

32. The Régie must send the annual statement referred to in section 112 of the Act to each member or beneficiary concerned. The statement must contain the information required by subparagraphs 1 to 3 of the first paragraph and subparagraph 3 of the second paragraph of section 59 of the Regulation respecting supplemental pension plans and by section 59.0.1 of that Regulation, with the necessary modifications.

33. Within six months after the end of each fiscal year of the plan, the Régie must, by written notice, call each of the members and beneficiaries to a meeting held to allow them to be informed of developments concerning their benefits and the financial situation of the plan.

§2. Administration by the Régie

34. For a pension plan termination, the plan's fiscal year as regards the portion of the assets administered by the Régie ends on 31 December, despite any contrary stipulation in the plan.

35. Within six months after the end of each fiscal year of the plan, the Régie must have the financial report referred to in the second paragraph of section 161 of the Act prepared.

36. The portion of the pension plan in respect of which the Régie exercises the powers of the pension committee pursuant to section 230.0.0.4 of the Act must be the subject of an actuarial valuation pursuant to subparagraph 2 of the first paragraph of section 118 of the Act.

For that purpose, only Divisions I and II of Chapter X of the Act apply, with the necessary modifications resulting in particular from the fact that the plan's liabilities are equal to the value of the pensions paid by the Régie. In addition, despite section 126 of the Act, even the value of guaranteed benefits must be determined according to an estimation of the premium that an insurer would have charged to guarantee the pensions in the 30-day period following the valuation date.

37. If an instruction has been given in respect of the pension plan under section 2 of the Regulation respecting measures to reduce the effects of the financial crisis on pension plans covered by the Supplemental Pension Plans Act, the amount of the pension paid by the Régie is equal to the amount calculated by taking into account the third paragraph of section 230.0.0.9 of the Act.

38. If, at the date of the end of a fiscal year, the plan's assets administered by the Régie, determined on a solvency basis and reduced by the estimated amount of the administration expenses to be assumed by the pension fund, exceeds the liabilities increased by the provision for adverse deviation, referred to in subparagraph 2 of section 128 of the Act, the members and beneficiaries to whom a pension is being paid by the Régie on that date are entitled for the next fiscal year to the payment of an amount determined on the basis of that excess amount.

That amount, which is payable in a lump sum after the actuarial valuation has been sent pursuant to section 119 of the Act, is equal to the annual amount of a pension that could be guaranteed with the portion of the excess amount allocated to each member or beneficiary, proportionately to the value of the portion of his or her benefits that is administered by the Régie. The amount of the pension is determined according to an estimation of the premium that an insurer would have charged to guarantee the benefits of each member or beneficiary in the 30-day period following the actuarial valuation date.

§3. Final settlement

39. If, at the time the Régie has all the pensions it pays guaranteed by an insurer in accordance with section 230.0.0.9 of the Act, the assets of the plan it administers, determined on a solvency basis and reduced

by the amount of the administration expenses of the pension fund, exceed the liabilities, the excess amount must be used to increase, up to the total value of their benefits, the pensions being paid by the Régie to the members and beneficiaries on the date of purchase of the guarantee, proportionately to the value of the portion of their benefits that is administered by the Régie. The pension so increased is determined on the basis of the premium charged by the insurer.

40. As soon as the Régie has had the pensions it pays guaranteed by an insurer, it must inform each member or beneficiary of the name and contact information of the insurer from the annuity for such member or beneficiary was purchased.

The notice must state the amount of the purchased annuity, which is equal to the amount paid by the Régie, as well as, if an increase has been granted on the date on which the Régie has the pension guaranteed,

(1) the amount by which the assets, after deduction of administration costs, exceeds the liabilities on that date; and

(2) the amount of the assets attributed to the member or beneficiary, proportionately to the value of the benefits, and the amount of increase in his or her pension on that date and, if applicable, the amount of any lump-sum refund that was granted.

41. Within 45 days after the date on which the Régie has the pensions it pays guaranteed by an insurer, the Régie must produce a report on the settlement of the benefits of the members and beneficiaries referred to in section 230.0.0.4 of the Act. The settlement report must contain

(1) the date on which the annuities were purchased;

(2) the name of the insurer from whom they were purchased;

(3) the premium charged by the insurer to guarantee the pensions;

(4) the amount of the plan's administration costs imputed to the pension fund;

(5) the amount of the assets administered by the Régie at the date on which it had the pensions guaranteed;

(6) if applicable, the amount by which the assets, after deduction of the administration costs paid by the pension fund, exceed the premium charged by the insurer;

(7) if the assets are insufficient to have the pensions guaranteed, the amounts required from the Government for that purpose pursuant to section 230.0.0.10 of the Act;

(8) the name of each member or beneficiary affected by the purchase of an annuity, the amount of the annuity purchased and, if applicable, the amount of any lump-sum refund that was granted;

(9) the name, address and professional title of the author of the report and the date of signing; and

(10) certification by the author of the report that the report was prepared in conformity with the provisions of the Act and of this Regulation.

DIVISION 4 TRANSITIONAL AND FINAL PROVISIONS

42. For a withdrawal of an employer or a termination of a plan occurring before 3 November 2010, the pension committee is not required to distribute the pension fund into two accounts as required by subdivision 1 of Division 2, provided the withdrawal or termination report is sent to the Régie within 30 days after that date.

Despite the foregoing, if a distribution equivalent to the distribution to be made pursuant to sections 5 to 7 was made before that date, section 8 applies as of the date on which the accounts were constituted.

43. A pension committee is required to purchase the pensions of members and beneficiaries that were guaranteed by an insurer at the request of the committee after the date of withdrawal or termination if the date on which the pension was guaranteed is after 3 November 2010. If the contract does not provide for a commuted value of a guaranteed pension, the value must be equal to the fair market value of the pension determined on the basis of reasonable assumptions and cancellation fees.

For a termination of a plan, section 212.1 of the Act applies for the purposes of the distribution of the pension fund and the preparation of the report as regards a pension guaranteed after the date of termination that has not been purchased pursuant to the first paragraph, but using a rate that is the estimated rate of return of the account intended for the members and beneficiaries to whom a pension was being paid on the date of termination.

44. This Regulation comes into force on the date of its publication in the *Gazette officielle du Québec*. It has effect, however, from 31 December 2008.