



NATIONAL ASSEMBLY

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Bill 124

(2010, chapter 29)

**An Act to amend various pension plans
in the public sector**

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EXPLANATORY NOTES

This Act amends the Acts establishing certain pension plans in the public sector so that plan members may accumulate, for each year of service from the year 2011, one year of service in addition to the 35 years used to compute the pension, up to a maximum of 38.

The rules concerning the 90-day reserve that serves to cover an employee's periods of absence without pay, as well as certain rules for redeeming years of prior service, are amended in a number of those Acts.

A number of those Acts are also amended so that the rules that apply to employees on adoption leave will apply as well to employees on paternity leave.

Lastly, various technical, consequential and transitional amendments are introduced to simplify the administration of the public sector pension plans.

LEGISLATION AMENDED BY THIS ACT:

- Act respecting the Pension Plan of Certain Teachers (R.S.Q., chapter R-9.1);
- Act respecting the Government and Public Employees Retirement Plan (R.S.Q., chapter R-10);
- Act respecting the Teachers Pension Plan (R.S.Q., chapter R-11);
- Act respecting the Civil Service Superannuation Plan (R.S.Q., chapter R-12);
- Act respecting the Pension Plan of Management Personnel (R.S.Q., chapter R-12.1).

Bill 124

AN ACT TO AMEND VARIOUS PENSION PLANS IN THE PUBLIC SECTOR

THE PARLIAMENT OF QUÉBEC ENACTS AS FOLLOWS:

ACT RESPECTING THE GOVERNMENT AND PUBLIC EMPLOYEES RETIREMENT PLAN

1. Section 14 of the Act respecting the Government and Public Employees Retirement Plan (R.S.Q., chapter R-10) is amended by replacing “on adoption” wherever it occurs in the third paragraph by “on paternity or adoption”.

2. Section 18.1 of the Act is amended by adding the following sentence at the end of the first paragraph: “In the case of a year of service over and above 35 years of service that is used in computing the pension, the salary required to arrive at the defined benefit limit is established as if that year were counted for the purposes of section 39.”

3. Section 19 of the Act is amended by replacing “35” in the last sentence of the first paragraph by “38”.

4. Section 23 of the Act is amended by replacing “35” in the last sentence by “38”.

5. Section 25 of the Act is amended by inserting “, in addition to a minimum cost,” after “may prescribe” in the last sentence of the second paragraph.

6. Section 29 of the Act is amended by replacing “35” in the third paragraph by “38”.

7. Section 29.2 of the Act is amended by replacing “an adoption” by “a paternity or adoption”.

8. Section 34.2 of the Act is amended by replacing “35” at the end of the last paragraph by “38”.

9. Section 74 of the Act is amended by replacing the first paragraph by the following paragraph:

“74. For the purposes of eligibility for and computation of an employee’s pension, except on contrary notice from the employee, a maximum of

90 contributory days may be added to the service credited to the employee to enable the employee to make up any period of leave without pay taken previous to 1 January 2011 or any period of absence without pay taken under the employee's conditions of employment and related to a maternity, paternity or adoption leave, while holding pensionable employment."

10. Section 77 of the Act is amended by replacing "35 years" in the second paragraph by "the number of years of service used in computing the pension".

11. The Act is amended by inserting the following section after the heading of Division I of Chapter VI of Title I:

"85.35. This division applies only in respect of an employee whose application for the redemption of prior service is received by the Commission before 1 July 2011 and who obtains a pension credit under this division following the application."

12. Section 100 of the Act is amended by adding the following sentence at the end of the first paragraph: "For the employee to obtain the pension credit, the application must be received by the Commission before 1 July 2011."

13. The Act is amended by inserting the following section after the heading of Division III of Chapter VI of Title I:

"100.1. This division applies only in respect of an employee whose application for the redemption of prior service is received by the Commission before 1 July 2011 and who obtains a pension credit under this division following the application."

14. The Act is amended by inserting the following sections after section 115.10.3:

"115.10.4. An employee who held employment in a body designated in Schedule I after 30 June 2011 under section 220 is entitled to be credited, for pension purposes, with the years and parts of a year of service accumulated with that body before the date on which the body was designated in Schedule I, up to a maximum of 15 years, except the years and parts of a year during which the employee participated in a pension plan.

To be credited with all or part of that service, the employee is required to pay to the Commission the amount determined under the tariff established by regulation, on the basis of the pensionable salary at the time of receipt of the employee's application for redemption, according to the number of days and parts of a day to be redeemed out of the number of pensionable days, calculated on the basis of the annual remuneration. The tariff may vary according to the employee's age, the year of service covered by the redemption and the date of receipt of the application. The regulation may prescribe the terms and conditions

governing the application of the tariff. If the employee applies to have only part of that service credited, the most recent service is credited first.

For the purposes of the second paragraph, the pensionable salary of an employee who, at the time of the receipt of his or her application for redemption, participates in the plan but does not hold pensionable employment is established by regulation. This rule also applies to the establishment of the pensionable salary of an employee who retires on the day following the day on which the employee ceases to participate in the plan and applies simultaneously for a pension and for credit for a period between the dates specified in this section.

“115.10.5. The amount established under section 115.10.4 is payable in cash or by instalments spread over the period and payable at the intervals determined by the Commission. If paid by instalments, the amount bears interest, compounded annually, at the rate provided for in Schedule VII in force on the date of receipt of the application, computed from the date on which the redemption proposal made by the Commission expires.”

15. Section 134 of the Act is amended in subparagraph 4.2 of the first paragraph

(1) by replacing “and 115.10.1, the tariff applicable to the payment of redemption cost which may vary” by “, 115.10.1 and 115.10.4, the tariff applicable to the payment of the redemption cost, which may vary”;

(2) by replacing “and prescribe the terms and conditions governing the application of the tariff and the rules for determining the pensionable salary for the purposes provided for in those sections” by “and prescribe, in addition to a minimum cost for the purposes of section 25, the terms and conditions governing the application of the tariff and the rules for determining the pensionable salary for the purposes provided for in sections 25, 115.1, 115.10.1 and 115.10.4”.

16. Section 187 of the Act is amended by replacing “an adoption” in the first paragraph by “a paternity or adoption”.

ACT RESPECTING THE PENSION PLAN OF MANAGEMENT PERSONNEL

17. Section 30 of the Act respecting the Pension Plan of Management Personnel (R.S.Q., chapter R-12.1) is amended by adding the following sentence at the end of the first paragraph: “In the case of a year of service over and above 35 years of service that is used in computing the pension, the salary necessary to reach the defined benefit limit is established as if that year were counted for the purposes of section 57.”

18. Section 31 of the Act is amended by replacing “35” in the last sentence of the first paragraph by “38”.

19. Section 37 of the Act is amended by replacing “35” in the last sentence by “38”.

20. Section 39 of the Act is amended by inserting “, in addition to a minimum cost,” after “may prescribe” in the last sentence of the second paragraph.

21. Section 41 of the Act is amended by replacing “35” in the third paragraph by “38”.

22. Section 50.2 of the Act is amended by replacing “35” at the end of the last paragraph by “38”.

23. Section 111 of the Act is amended by replacing the first paragraph by the following paragraph:

“**111.** For the purposes of eligibility for and computation of an employee’s pension, except on contrary notice from the employee, a maximum of 90 contributory days may be added to the service credited to the employee to enable the employee to make up any period of leave without pay taken previous to 1 January 2011 or any period of absence without pay taken under the employee’s conditions of employment and related to a maternity, paternity or adoption leave, while holding pensionable employment.”

24. Section 115 of the Act is amended by replacing “35 years” in the second paragraph by “the number of years of service used in computing the pension”.

25. The Act is amended by inserting the following sections after section 152.3:

“**152.4.** An employee who held employment in a body designated in Schedule II after 30 June 2011 under section 207 is entitled to be credited, for pension purposes, with the years and parts of a year of service accumulated with that body before the date on which the body was designated in Schedule II, up to a maximum of 15 years, except the years and parts of a year during which the employee was a member of a pension plan.

To be credited with all or part of that service, the employee is required to pay to the Commission the amount determined under the tariff established by regulation, on the basis of the pensionable salary at the time of receipt of the employee’s application for redemption, according to the number of days and parts of a day to be redeemed out of the number of pensionable days, calculated on the basis of the annual remuneration. The tariff may vary according to the employee’s age, the year of service covered by the redemption and the date of receipt of the application. The regulation may prescribe the terms and conditions governing the application of the tariff. If the employee applies to have only part of that service credited, the most recent service is credited first.

For the purposes of the second paragraph, the pensionable salary of an employee who, at the time of the receipt of his or her application for redemption, is a member of the plan but does not hold pensionable employment is established by regulation. This rule also applies to the establishment of the pensionable salary of an employee who retires on the day following the day on which the employee ceases to be a member of the plan and applies simultaneously for a pension and for credit for a period between the dates specified in this section.

“152.5. The amount established under section 152.4 is payable in cash or by instalments spread over the period and payable at the intervals determined by the Commission. If paid by instalments, the amount bears interest, compounded annually, at the rate provided for in Schedule VIII in force on the date of receipt of the application, computed from the date on which the redemption proposal made by the Commission expires.”

26. Section 196 of the Act is amended in subparagraph 5.1 of the first paragraph

(1) by replacing “and 152.1, the tariff applicable to the payment of redemption costs which may vary” by “, 152.1 and 152.4, the tariff applicable to the payment of the redemption cost, which may vary”;

(2) by replacing “and prescribe the terms and conditions governing the application of the tariff and the rules for determining the pensionable salary for the purposes provided for in those sections” by “and prescribe, in addition to a minimum cost for the purposes of section 39, the terms and conditions governing the application of the tariff and the rules for determining the pensionable salary for the purposes provided for in sections 39, 146, 152.1 and 152.4”.

ACT RESPECTING THE PENSION PLAN OF CERTAIN TEACHERS

27. Section 22 of the Act respecting the Pension Plan of Certain Teachers (R.S.Q., chapter R-9.1) is amended by replacing “70%” wherever it appears in the first paragraph by “76%”.

28. Section 24 of the Act is amended by replacing “referred to in section 22;” at the end of subparagraph 2 of the first paragraph by “, which is the total of the following amounts:

(a) 70% of the average pensionable salary used to compute the pension for the years and parts of a year of service credited before 1992 multiplied by the number of years and parts of a year of service credited before 1992 over the total number of years and parts of a year of service credited; and

(b) 70% of the average pensionable salary used to compute the pension for the years and parts of a year of service credited after 1991 multiplied by the

number of years and parts of a year of service credited after 1991 over the total number of years and parts of a year of service credited;”.

ACT RESPECTING THE TEACHERS PENSION PLAN

29. Section 11 of the Act respecting the Teachers Pension Plan (R.S.Q., chapter R-11) is amended by replacing “an adoption” in the second paragraph by “a paternity or adoption”.

30. Section 28.5.6 of the Act is amended by inserting “Provided the teacher’s application is received by the Commission before 1 July 2011,” at the beginning of the first paragraph.

31. Section 29.1.0.1 of the Act is amended by replacing “an adoption” by “a paternity or adoption”.

ACT RESPECTING THE CIVIL SERVICE SUPERANNUATION PLAN

32. Section 51 of the Act respecting the Civil Service Superannuation Plan (R.S.Q., chapter R-12) is amended by replacing “an adoption” in the second paragraph by “a paternity or adoption”.

33. Section 69.0.0.1 of the Act is amended by replacing “less than 30 consecutive days” in the first paragraph by “30 consecutive days or less”.

34. Section 69.0.1.1 of the Act is amended by replacing “an adoption” by “a paternity or adoption”.

35. Section 99.17.1 of the Act is amended by adding “Provided the officer’s application is received by the Commission before 1 July 2011,” at the beginning of the first paragraph.

MISCELLANEOUS, TRANSITIONAL AND FINAL PROVISIONS

36. The first regulation made after 2 December 2010 under the following provisions may have effect from any date not prior to 1 January 2011:

(1) paragraphs 3 to 5 of section 41.8 of the Act respecting the Pension Plan of Certain Teachers (R.S.Q., chapter R-9.1);

(2) paragraphs 8.3 to 8.5 of section 130 of the Act respecting the Pension Plan of Peace Officers in Correctional Services (R.S.Q., chapter R-9.2);

(3) section 10.2 and subparagraphs 9.1, 14.4 to 14.6 and 22.2 of the first paragraph of section 134 of the Act respecting the Government and Public Employees Retirement Plan (R.S.Q., chapter R-10);

(4) paragraphs 9.3 to 9.5 of section 73 of the Act respecting the Teachers Pension Plan (R.S.Q., chapter R-11);

(5) paragraphs 8.4 to 8.6 of section 109 of the Act respecting the Civil Service Superannuation Plan (R.S.Q., chapter R-12);

(6) subparagraphs 8, 15 to 17 and 22 of the first paragraph of section 196 of the Act respecting the Pension Plan of Management Personnel (R.S.Q., chapter R-12.1); and

(7) section 52 of the Act to amend various legislation for the purposes of partition and assignment between spouses of benefits accrued under a pension plan (1990, chapter 5) as it applies to the Pension Plan of the employees of the Centre hospitalier Côte-des-Neiges.

37. For the purposes of the provisions amended by sections 2 to 4, 6, 8, 17 to 19, 21 and 22, the years of service credited over and above 35 years of service that are used to compute the pension must be subsequent to 2010.

For the purposes of the provision amended by section 27, the percentage that exceeds 70% must reflect the 2% per year of service credited over and above 35 years of service that is used to compute the pension and is subsequent to 2010.

38. Sections 1, 7, 16, 29, 31, 32 and 34 have effect from 10 June 2010.

39. This Act comes into force on 1 January 2011, except section 14, paragraph 1 of section 15, section 25 and paragraph 1 of section 26, which come into force on 1 July 2011.