NATIONAL ASSEMBLY

SECOND SESSION THIRTY-NINTH LEGISLATURE

Bill 11

(2011, chapter 8)

An Act to amend the Supplemental Pension Plans Act and to provide for the possibility of opting to receive a pension paid by the Régie des rentes du Québec during the existence of certain plans in the pulp and paper sector

Introduced 10 May 2011
Passed in principle 31 May 2011
Passed 8 June 2011
Assented to 8 June 2011

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EXPLANATORY NOTES

This Act amends the Supplemental Pension Plans Act to extend the period of retroactive effect of certain government regulations by one year.

The option of receiving benefits as a pension paid out of the assets administered by the Régie des rentes du Québec is made available to the pulp and paper sector even where a plan is not terminated or an employer has not withdrawn, provided certain requirements are met and a government regulation is made to that effect. The option may be exercised each year during the period in which the regulation made under section 2 of the Supplemental Pension Plans Act with respect to the plan applies, to which is added the maximum period allowed under that Act for the amortization of a solvency deficiency. The option may also be made available where the plan is terminated or where the employer withdraws , under the conditions set out in section 230.0.0.1 of that Act, before the period expires.

Lastly, some of the amortization payments to be paid into the pension plans listed in Schedule A to the Act to amend various provisions respecting supplemental pension plans, particularly concerning payment options in the event of an employer's insolvency are suspended until a regulation is made setting out the procedure for financing the plans.

LEGISLATION AMENDED BY THIS ACT:

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

Bill 11

AN ACT TO AMEND THE SUPPLEMENTAL PENSION PLANS ACT AND TO PROVIDE FOR THE POSSIBILITY OF OPTING TO RECEIVE A PENSION PAID BY THE RÉGIE DES RENTES DU QUÉBEC DURING THE EXISTENCE OF CERTAIN PLANS IN THE PULP AND PAPER SECTOR

THE PARLIAMENT OF QUÉBEC ENACTS AS FOLLOWS:

1. Section 2 of the Supplemental Pension Plans Act (R.S.Q., chapter R-15.1) is amended by replacing "the year preceding" in the third paragraph by "the penultimate year preceding".

2. The Government may, if it makes a regulation under section 2 of the Supplemental Pension Plans Act (R.S.Q., chapter R-15.1) relating to a pension plan to which Chapter X of that Act applies and to which an employer in the pulp and paper sector is a party, provide by regulation that members and beneficiaries of the pension plan may request that they receive benefits as a pension paid out of the assets administered by the Régie des rentes du Québec under section 230.0.0.4 of that Act without the plan having been amended to allow for the withdrawal of the employer who is a party to the plan or without the plan having been terminated, when

(1) the employer who is a party to the plan is, as part of the restructuring of the enterprise, bound by an agreement with the Government to, among other things, maintain the plan;

(2) on the date of the agreement, the employer is subject to an order or judgment, dated prior to 1 January 2012, under the Companies' Creditors Arrangement Act (Revised Statutes of Canada, 1985, chapter C-36) or Part III of the Bankruptcy and Insolvency Act (Revised Statutes of Canada, 1985, chapter B-3); and

(3) if the plan terminated on the date of the agreement, the assets would not be sufficient to pay all the benefits of the members and beneficiaries.

In that case, subdivision 4.0.1 of Division II of Chapter XIII of the Supplemental Pension Plans Act, except the third paragraph of section 230.0.0.9, applies to the extent and with the adaptations provided by regulation. Such a regulation must provide that the members and beneficiaries to whom it applies may request each year, on the date it sets and according to the procedure it prescribes, that they receive benefits in the manner described in the first paragraph. The regulation may concern only the members and beneficiaries to whom a pension is paid on the date it specifies or it may also concern those who, on the same date, would have been entitled to the payment of a pension if they had applied for it. The regulation may also provide rules that differ from those determined by the regulation made under section 230.0.0.11 of that Act, in particular with respect to the method of determining the value of the benefits accrued to the affected members and beneficiaries, the options available to those members and beneficiaries and the time limits that apply to the exercise of their options and the payment of their benefits.

A regulation made under this section applies to a pension plan during the period in which the regulation made under section 2 of the Supplemental Pension Plans Act with respect to the plan applies, plus the maximum period allowed under that Act for the amortization of a solvency deficiency. However, the regulation ceases to apply on the date of the first actuarial valuation that shows that the plan is solvent.

If, in respect of a pension plan, the conditions set out in section 230.0.0.1 of the Supplemental Pension Plans Act, except those in paragraph 2.1 of that section, are met before the period defined in the third paragraph expires, subdivision 4.0.1 of Division II of Chapter XIII of that Act, except the third paragraph of section 230.0.0.9, applies to that plan.

A regulation made under this section or under section 2 of the Supplemental Pension Plans Act with respect to a plan to which this section applies is not subject to the publication requirement or the requirement as regards its date of coming into force set out in sections 8 and 17 of the Regulations Act (R.S.Q., chapter R-18.1) and may, if it so provides, have retroactive effect to a date that is prior to the date of its publication but not prior to 31 December 2008.

3. The obligation to pay an amortization payment, deferred to 31 March 2011 by section 6 of the Act to amend various provisions respecting supplemental pension plans, particularly concerning payment options in the event of an employer's insolvency (2010, chapter 41), is again deferred until a regulation referred to in the fifth paragraph of section 2 determines the methods for financing the pension plans in respect of which the obligation applies.

The first paragraph has effect from 31 March 2011.

4. This Act comes into force on 8 June 2011.