

THAT the Regulation to amend the Basic school regulation for preschool, elementary and secondary education, attached to this Order in Council, be made.

GILLES PAQUIN,  
*Clerk of the Conseil exécutif*

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## **Regulation to amend the Basic school regulation for preschool, elementary and secondary education**

Education Act  
(R.S.Q., c. I-13.3, s. 447)

**1.** The Basic school regulation for preschool, elementary and secondary education (R.R.Q., c. I-13.3, r. 8) is amended, in each of the tables following the second paragraph of section 23.1,

(1) by striking out all that concerns the subject “Integrative project”, including the number of hours and credits relating to that subject, in the portion relating to the compulsory subjects of Secondary V;

(2) by replacing “200 or 250 hours” by “250 or 300 hours” and “8 or 10 credits” by “10 or 12 credits” in the portion relating to the elective subjects of Secondary V.

**2.** 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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Gouvernement du Québec

**O.C. 856-2011**, 17 August 2011

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

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.  
(2011, c. 8)

**AbitibiBowater Inc.**  
— Supplemental pension plans affected by the arrangement regarding AbitibiBowater Inc. under the Companies’ Creditors Arrangement Act

CONCERNING the Regulation respecting supplemental pension plans affected by the arrangement regarding AbitibiBowater Inc. under the Companies’ Creditors Arrangement Act

WHEREAS, under the second paragraph of section 2 of the Supplemental Pension Plans Act (R.S.Q., c. R-15.1) the Government may, by regulation and on the conditions it determines, exempt any pension plan it designates from the application of all or part of this Act, particularly by reason of the special characteristics of the plan or category or by reason of the complexity of the Act in relation to the number of members in the plan and prescribe special rules applicable to the plan;

WHEREAS, under the fifth paragraph of section 2 of the 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 (2011, c. 8), a regulation made pursuant to section 2 of the Supplemental Pension Plans Act with respect to a plan to which Chapter X of that Act applies and to which an employer in the pulp and paper sector is party is not subject to the requirements of sections 8 and 17 of the Regulations Act (R.S.Q., c. 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;

WHEREAS it is expedient to make the Regulation respecting supplemental pension plans affected by the arrangement regarding AbitibiBowater Inc. under the Companies’ Creditors Arrangement Act, attached hereto;

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

THAT the Regulation respecting supplemental pension plans affected by the arrangement regarding AbitibiBowater Inc. under the Companies’ Creditors Arrangement Act, attached hereto, be made.

GILLES PAQUIN,  
*Clerk of the Conseil exécutif*

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## Regulation respecting supplemental pension plans affected by the arrangement regarding AbitibiBowater Inc. under the Companies' Creditors Arrangement Act

Supplemental Pension Plans Act  
(R.S.Q., c. R-15.1, s. 2, 2nd para.)

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.

(2011, c. 8, s. 2, 5th para.)

### DIVISION I APPLICATION

**1.** This Regulation applies to the pension plans referred to in Appendix A as well as every pension plan to which the Supplemental Pension Plans Act (R.S.Q., c. R-15.1; hereinafter referred to as “the Act”) applies and whose liabilities include obligations arising from a pension plan referred to in Appendix A or Appendix B for service completed prior to 1 January 2011, if the employer party to the plans – or, in the case of a multi-employer plan, every employer party to the plan – is AbitibiBowater Inc. or a legal person for which AbitibiBowater Inc. holds, directly or indirectly, all shares carrying voting rights.

**2.** A pension plan whose liabilities include obligations other than those arising from a pension plan referred to in Appendix A or Appendix B for service completed prior to 1 January 2011 is comprised of two components.

A first component comprises only the portion of the liabilities of the plan related to obligations arising from a plan referred to in Appendix A or Appendix B for service completed prior to 1 January 2011 and the portion of the assets of the plan corresponding to those liabilities. This component, called an “affected component”, is governed by this Regulation to the extent provided herein.

The other component is comprised of the remaining liabilities and assets of the plan and, insofar as funding, the appropriation of any eventual surplus assets, divisions and mergers, as well as the settlement of the benefits of members and beneficiaries on termination are concerned, is governed by the Act as though it were a pension plan separate from the affected component.

The pension fund of the plan is therefore divided into two separate accounts.

**3.** For the purposes of this Regulation, a reference to the affected component of a pension plan referred to in Appendix A or Appendix B at a date where the plan has no obligations other than those arising from service completed prior to 1 January 2011, is a reference to the plan as a whole.

**4.** Through 30 December 2020, the affected component of a pension plan shall be exempt from the application of the following provisions of the Act as well as any other provision of that Act to the extent that it is incompatible with the provisions of this Regulation:

(1) subparagraph 2 of the second paragraph of section 11;

(2) section 42.1;

(3) section 132;

(4) section 146;

(5) section 199.

**5.** Section 39 of the Act notwithstanding, the employer contributions that an employer must pay into the account of the affected component of the pension fund of a pension plan for the fiscal years ending between 30 December 2011 and 1 January 2021 is comprised of the amortization payments provided for in Division III, that is, the basic amortization payment, the additional amortization payment, the supplemental sum and the special amortization payment.

For the fiscal year ending on 31 December 2010, the employer contributions that an employer must pay into the pension fund of a pension plan is comprised of the current service contribution determined in accordance with sections 138 and 139 of the Act and the amortization payments provided for in Division III.

If applicable, to these contributions is added the contribution provided for in Division IV.

**6.** Unless otherwise indicated, to determine the technical actuarial deficiency or the degree of solvency of a pension plan or of the affected component of a pension plan, the assets are determined according to their market value and are not reduced by the estimated amount of the administration costs to be paid out of the pension fund should the pension plan be terminated. The assets shall also be determined without considering the value of the contributions that the employer has failed to pay into the pension fund or into the account of the affected component of the pension fund.

However, for the purposes of this Regulation, the technical actuarial deficiency and the degree of solvency of a pension plan referred to in Appendix B, or of the affected component of a pension plan registered with Ontario's Superintendent of Financial Services are respectively considered to be the "adjusted solvency deficiency" and the "adjusted solvency ratio" of the pension plan or the affected component, determined in accordance with the applicable Ontario legislation.

**7.** The obligation to pay an amount as an amortization payment for the fiscal years ending on 31 December 2009 or on 31 December 2010 of a pension plan referred to in Appendix A, the payment of which was suspended by an order under the Companies' Creditors Arrangement Act (Revised Statutes of Canada, 1985, chapter C-36) is replaced by the obligations provided for in this Regulation.

## **DIVISION II**

### **BALANCE OF THE VALUE OF THE BENEFITS OF THE MEMBERS AND BENEFICIARIES**

**8.** Through 31 December 2020, the balance of the value of benefits accumulated prior to 1 January 2011 under a pension plan referred to in Appendix A or in Appendix B which, under the terms of sections 143 to 145.1 of the Act, cannot be paid, is paid with interest from the account of the affected component of the pension fund of the plan on the earlier of the following dates:

- (1) five years from the date of the initial payment;
- (2) the date on which the member attains normal retirement age.

The balance may also be paid as of the day on which it is funded.

## **DIVISION III**

### **AMORTIZATION PAYMENTS**

#### *§1. Basic amortization payment*

**9.** For the fiscal year of a pension plan ending on 31 December 2010, the basic amortization payment corresponds to that portion of 3 150 685\$ that the technical actuarial deficiency of the plan at 30 September 2010 represents of the total of the actuarial deficiencies of the pension plans referred to in Appendix A or in Appendix B at that date.

This payment, made in one lump sum, bears interest from 31 December 2010 at the rate of return of the account of the affected component of the pension fund.

**10.** For each fiscal year of a pension plan ending between 30 December 2011 and 1 January 2021, the basic amortization payment is the total of the 12 monthly payments that have been determined for the fiscal year.

A monthly payment is that portion of 4 166 667\$ that the technical actuarial deficiency of the affected component of the pension plan represents of the total of the technical actuarial deficiencies of the affected components of the pension plans, as established on the following date:

- (1) for each of the first 6 monthly payments of the fiscal year, the date of the end of the second last fiscal year;
- (2) for each of the other 6 monthly payments of the fiscal year, the date of the end of the previous fiscal year.

A monthly payment is payable on the last day of the month for each month included in the fiscal year.

Notwithstanding the second paragraph, each of the first 6 monthly payments of the fiscal year ending on 31 December 2011 corresponds to that portion of 4 166 667\$ that the technical actuarial deficiency of the plan at 30 September 2010 represents of the total of the technical actuarial deficiencies of the pension plans referred to in Appendix A or in Appendix B at that date.

**11.** The technical actuarial deficiency of the affected component of a pension plan at the date of an actuarial valuation corresponds to the amount by which the liabilities of the affected component, after deducting the value of the additional obligations arising from an amendment to the plan considered for the first time at the time of the valuation, exceed the assets of the component.

**12.** In cases where, for any month of a fiscal year of a pension plan, the total of the monthly payments payable under this Regulation or the applicable Ontario legislation to the affected component of the pension plans for the basic amortization payment is less than 4 166 667\$, a supplement to the basic amortization payment shall be determined.

The supplement corresponds to a proportion of the amount by which 4 166 667\$ exceeds the total of the monthly payments for that month. That proportion corresponds to the technical actuarial deficiency of the affected component of the pension plan divided by the total of the technical actuarial deficiencies of the affected components of the pension plans, as established on the following date:

(1) for each of the first six monthly payments of the fiscal year, the date of the end of the previous fiscal year;

(2) for each of the other 6 monthly payments of the fiscal year, the date of the end of the fiscal year.

For the purposes of the second paragraph, a pension plan to which the supplement cannot be paid due to the termination of the plan is not taken into account.

The supplement to the basic amortization payment is payable in full the last day of the month following the one in which the actuarial valuation report at the date of the end of the fiscal year referred to in subparagraph 1 or subparagraph 2 of the second paragraph, as the case may be, must be sent to the Régie des rentes du Québec.

## §2. Additional amortization payment

**13.** For each fiscal year of a pension plan ending between 30 December 2013 and 1 January 2021, an additional amortization payment is established if the overall degree of solvency at the date of the previous fiscal year end is less than the overall target degree of solvency at that same date.

The additional amortization payment corresponds to the predetermined portion of the overall additional amortization payment for the fiscal year.

**14.** The overall degree of solvency at the date of the end of a fiscal year corresponds to element A in the following formula, rounded off to the nearest multiple of 0,1%:

$$A = (B + C) / (D + E), \text{ where}$$

“B” corresponds to the total value of the assets of the affected components of the pension plans registered with the Régie, established regardless of the amount of the contribution provided for under Division IV, increased by the special amortization payment provided for in section 28 but reduced as provided in the first paragraph of section 127 of the Act;

“C” corresponds to the total of the value of the adjusted solvency assets of the affected components of those pension plans registered with Ontario’s Superintendent of Financial Services, determined in accordance with the applicable Ontario legislation but without taking into account the special contributions required as a result of a reduction in the employer’s pulp and paper production capacity in Ontario or Québec provided for under that legislation;

“D” corresponds to the total of the value of the liabilities of the affected components of the pension plans registered with the Régie, reduced as provided in the first paragraph of section 127 of the Act;

“E” corresponds to the total of the solvency liabilities of the affected components of those pension plans registered with Ontario’s Superintendent of Financial Services, determined in accordance with the applicable Ontario legislation.

**15.** The overall target degree of solvency, which cannot exceed 100%, corresponds:

(1) at 31 December 2011 and at 31 December 2012, to the overall degree of solvency at 31 December 2010;

(2) at 31 December 2013, to the overall target degree of solvency at 31 December 2012, increased by one percentage point;

(3) at 31 December 2014, to the overall target degree of solvency at 31 December 2013;

(4) at 31 December 2015, to the overall target degree of solvency at 31 December 2014, increased by one percentage point;

(5) at 31 December 2016, to the overall target degree of solvency at 31 December 2015, increased by one percentage point;

(6) at 31 December 2017, to the overall target degree of solvency at 31 December 2016, increased by two percentage points;

(7) at 31 December 2018, to the overall target degree of solvency at 31 December 2017 increased by three percentage points;

(8) at 31 December 2019, to the overall target degree of solvency at 31 December 2018, increased by two percentage points.

**16.** The overall additional amortization payment for a fiscal year, which cannot exceed 15 million\$, corresponds to 15% of the free cash flow of AbitibiBowater Inc. on the date of the end of the previous fiscal year.

The free cash flow, determined on the basis of the information contained in the audited financial statements of AbitibiBowater Inc., is defined as the earnings before interest, taxes, depreciation and amortization, from which the following elements are subtracted:

(1) interest expenses;

- (2) cash invested in fixed assets;
- (3) basic amortization contribution;
- (4) income or loss attributable to non-controlling interests (net of taxes).

If the free cash flow cannot be determined in accordance with the second paragraph, whether due to the fact that the audited financial statements of Abitibi-Bowater Inc. have not been sent to the Régie in accordance with section 49, or the fact that certain documents, information or reports required under section 51 have not been provided within the prescribed time, or for any other reason, the overall amortization payment is set at 15 million\$.

**17.** The predetermined portion of the overall additional amortization payment for a fiscal year corresponds to the portion of the payment that the technical actuarial deficiency of the affected component of the pension plan at the date of the end of the previous fiscal year represents of the total of the technical actuarial deficiencies of the affected components of the pension plans at that date.

For the purposes of the first paragraph, a pension plan to which the additional amortization payment for the fiscal year cannot be made due to the termination of the plan is not taken into account.

The additional amortization payment is payable in full on the last day of the seventh month of the fiscal year.

### §3. *Supplemental sum*

**18.** For each fiscal year of a pension plan ending between 30 December 2016 and 1 January 2023, the supplemental sum corresponds to the predetermined portion of the overall supplemental sum for that fiscal year.

**19.** The overall supplemental sum for a fiscal year corresponds to the total of the payments determined in accordance with section 23 or section 24 and payable during the fiscal year with respect to a payment deficiency from a previous fiscal year.

**20.** A payment deficiency is determined for each fiscal year ending between 30 December 2015 and 1 January 2020, if the overall degree of solvency on the fiscal year end date is more than two percentage points less than the overall target degree of solvency at that date.

**21.** The amount of the payment deficiency for a fiscal year, which may not, however, be less than zero, corresponds to element “A” of the following formula:

$$A = B' + F + G - H$$

“B” represents the sum of elements B in the following formula, as determined for the affected component of each pension plan registered with the Régie:

$$B = C \times (100\% - D)$$

“C” represents the sum of the pensions paid during the fiscal year from the account of the affected component of the pension fund of the pension plan;

“D” represents the degree of solvency of the affected component of the pension plan at the previous fiscal year end date, determined without taking into account section 6;

“F” represents the sum of all benefits and interest paid in application of the first paragraph of section 8 during the fiscal year;

“G” represents the total of the payments made for unfunded benefits for the fiscal year, determined in accordance with the applicable Ontario legislation, of the affected component of each pension plan registered with Ontario’s Superintendent of Financial Services;

“H” represents the total of 50 million\$ and the overall additional amortization payment for the fiscal year.

**22.** The degree of solvency of the affected component of a pension plan at a given date corresponds to the percentage that the value of the assets of that component, increased by the special amortization payment provided for in section 28 but reduced as provided in the first paragraph of section 127 of the Act, represents over the value of the liabilities of the component reduced in the same manner.

**23.** A payment deficiency may be amortized in as many payments as fiscal years in the amortization period.

The payments shall be equal. They are determined using an interest rate identical to the rate used to establish the liabilities of the affected components when determining their degree of solvency.

The amortization period for the payment deficiency for a fiscal year begins the first day of the following fiscal year and may not exceed 3 fiscal years.

A payment is payable in full the last day of the seventh month of each fiscal year included in the amortization period.

**24.** Sections 21 to 23 notwithstanding, for the first fiscal year in which a payment deficiency that is greater than zero has been determined, the lesser of the payment deficiency and 25 million\$ is payable in full on the last day of the seventh month of the following fiscal year.

**25.** The predetermined portion of the overall supplemental sum for a fiscal year corresponds to the portion of the aforementioned sum that the shortfall in solvency assets of the affected component of the pension plan at the date of the end of the previous fiscal year represents of the total of the shortfalls in solvency assets of the affected components of the pension plans at that date.

For the purposes of the first paragraph, a pension plan to which a supplemental sum for the fiscal year cannot be paid due to the termination of the plan is not taken into account.

Moreover, the predetermined portion of the overall supplemental sum for a fiscal year for a pension plan may not exceed the shortfall in solvency assets for the affected component of the pension plan at the last day of the previous fiscal year.

The shortfall in solvency assets, at the end of the plan's fiscal year, of the affected component of a pension plan registered with the Régie means the amount which, where added to the assets of the component at the aforementioned date, would allow its degree of solvency to equal its target degree of solvency at that same date.

The target degree of solvency of the affected component of a pension plan is determined by increasing, at the dates and to the extent provided for in paragraphs 1 to 8 of section 15, the degree of solvency of the pension plan at 31 December 2010. It may not, however, exceed 100%.

For those pension plans registered with Ontario's Superintendent of Financial Services, the shortfall in solvency assets of the affected component is determined in accordance with the applicable Ontario legislation.

**26.** Where, for a fiscal year of a pension plan, the total of the supplementary sums – determined in accordance with section 25 or an equivalent provision of the applicable Ontario legislation – is less than the overall supplementary sum for the fiscal year, an amount must be added to the supplementary sum payable to the affected component of a pension plan at the time that sum is calculated.

That amount corresponds to a proportion of the amount by which the overall supplementary sum exceeds the total of the supplementary sums determined for the fiscal year. That proportion is represented by the technical actuarial deficiency of the affected component of the pension plan at the date of the end of the previous fiscal year divided by the total of the technical actuarial deficiencies of the affected components of the pension plans at that same date.

For the purposes of the second paragraph, a pension plan to which the supplemental sum cannot be paid for the fiscal year due to the termination of the plan is not taken into account.

**27.** Sections 25 and 26 notwithstanding, for the fiscal year of a pension plan ending on 31 December 2021 and the fiscal year ending on 31 December 2022, the predetermined portion of the overall supplemental sum corresponds to element A in the following formula:

$$A = B \times [(C+D)/E], \text{ where}$$

“B” corresponds to the overall supplementary sum for the fiscal year;

“C” corresponds to the supplementary sum, determined in accordance with section 25 and payable to the affected component of the pension plan for the fiscal year ending on 31 December 2020;

“D” corresponds to the amount added to the supplementary sum, determined in accordance with section 26 for the fiscal year ending on 31 December 2020;

“E” corresponds to the overall supplementary sum for the fiscal year ending on 31 December 2020.

#### *§4. Special amortization payment*

**28.** Where, further to an amendment made between 30 December 2010 and 1 January 2021, an actuarial valuation determines the value of additional obligations of the affected component of a pension plan, a special amortization payment is determined.

The payment corresponds to the higher of the value of the additional obligations determined on a solvency basis or their value determined on a funding basis.

The special amortization payment must be paid into the account of the affected component of the pension fund as soon as the report on the first actuarial valuation considering the amendment is sent to the Régie. To such sum shall be added accrued interest, if any, from the date of the valuation, calculated at the rate of return of the account.

#### DIVISION IV CONTRIBUTION IN CASE OF PRODUCTION CUTBACKS

**29.** A contribution in case of production cutbacks is determined for each fiscal year of a pension plan during which becomes payable one of the payments, determined in accordance with section 30, of a compensatory amount required under one of the following:

(1) section 1.4.4 of the agreement entitled *Entente concernant les exploitations de pâtes et papiers d'AbiBow Canada au Québec*, signed on 13 September 2010;

(2) section 1.4.3 of the Agreement Concerning Pulp and Paper Operations of AbiBow Canada in Ontario, signed on 10 November 2010.

**30.** The compensatory amount referred to in section 29 may be amortized in as many payments as fiscal years in the amortization period.

The payments shall be equal. They are determined using an interest rate identical to the rate used to establish the liabilities of the affected components when determining their degree of solvency.

The amortization period for a compensatory amount begins the first day of the fiscal year following the one in which it becomes payable and may not exceed 4 fiscal years.

**31.** The contribution for a plan's fiscal year corresponds to the portion of the payment payable during that fiscal year that the technical actuarial deficiency of the affected component of the pension plan at the date of the end of the previous fiscal year represents of the total of the technical actuarial deficiencies of the affected components of the pension plans at that date.

For the purposes of the first paragraph, a pension plan to which the contribution for the fiscal year cannot be made due to the termination of the plan is not taken into account.

The contribution is payable in full the last day of the seventh month of the fiscal year.

#### DIVISION V OTHER FUNDING MEASURES

**32.** If the overall degree of solvency at the date of the end of a fiscal year ending between 30 December 2011 and 1 January 2015 is less than five percentage points below the overall target degree of solvency at that same date, the Régie shall call a meeting of the parties to the plans so that corrective measures are agreed upon.

**33.** The corrective measures must cause the overall degree of solvency at the date mentioned in section 32 to be at a minimum equal to the overall target degree of solvency at that same date.

For the purposes of the first paragraph, the overall degree of solvency is determined in accordance with section 14, while determining the value of the assets and liabilities as at the date mentioned in the first paragraph, taking into account the application of the corrective measures over the course of the 5 subsequent fiscal years. As at that date, the present value of the contributions resulting from the corrective measures is determined using the same interest rate as that used to determine the liabilities of the affected components for the purposes of determining their degree of solvency.

**34.** The employer shall, in writing and as soon as possible, inform the Régie and the pension committee of the corrective measures that have been agreed upon in accordance with section 32.

**35.** The corrective measures shall not change the basic amortization payment, the additional amortization payment, the supplemental sum or the contribution in case of production cutbacks, determined at the time of an actuarial valuation whose report has already been sent to the Régie.

**36.** Section 32 notwithstanding, the Régie is not required to call a meeting of the parties to the pension plans if, as at the date mentioned in the aforementioned section, the degree of solvency determined in accordance with the second paragraph of section 33 is at least equal to the overall target degree of solvency at that same date.

**37.** In any fiscal year of a pension plan ending between 30 December 2016 and 1 January 2021, where the Régie considers that the financial situation of AbitibiBowater Inc. so justifies, the Régie shall call a meeting of the parties to the plans so that the measures likely to cause further improvement of the overall degree of solvency may be evaluated.

The employer shall, in writing and as soon as possible, inform the Régie and the pension committee of the corrective measures adopted and of their expected effects on the overall degree of solvency.

**38.** For the purposes of this division, the parties to the plans are deemed to have been called to a meeting where have been so called the employer, the accredited associations representing the plan members and, where the pension committee has been notified in writing of their names and addresses, the associations representing,

for the purposes of the pension plans, active members not represented by a certified association, non-active members or beneficiaries of the plan.

## DIVISION VI ACTUARIAL VALUATIONS AND REPORTS

### §1. *As at 30 September 2010*

**39.** Each pension plan referred to in Appendix A shall be the subject of a special actuarial valuation at 30 September 2010.

A special global report based on the valuation shall be sent to the Régie.

**40.** The special global report must contain the statements of the actuary provided for in the section of the standards of practice of the Canadian Institute of Actuaries to which section 4 of the Regulation respecting supplemental pension plans (c. R-15.1, r.6) refers. For each pension plan referred to in Appendix A, the report must also contain the following information:

- (1) the name of the plan and the number assigned to it by the Régie;
- (2) a certification by the employer confirming that there were no significant changes, between 31 December 2009 and 30 September 2010, to the information concerning the plan members and beneficiaries;
- (3) the amount of the assets of the plan, determined in accordance with the first paragraph of section 6;
- (4) the amount of the liabilities of the plan, determined on a solvency basis;
- (5) the amount of the technical actuarial deficiency of the plan;
- (6) the amount of the basic amortization payment for the fiscal year ending on 31 December 2010, and the amount of the first six monthly payments, for the fiscal year ending on 31 December 2011.

The special global report must also indicate the sum of the assets of the plans, determined in accordance with the first paragraph of section 6, the sum of the liabilities of the plans determined on a solvency basis and the total of the technical actuarial deficiencies of the plans.

Moreover, the special global report must contain the information required in the interim combined report at 30 September 2010, provided for under the applicable Ontario legislation.

### §2. *At 31 December 2010 through 2019*

**41.** A pension plan referred to in Appendix A shall be the subject of an actuarial valuation at 31 December 2010.

The same applies to the affected component of a pension plan, at 31 December for each year from 2011 to 2019.

The report on such an actuarial valuation, accompanied with a global report as at the date of the valuation, must be sent to the Régie within six months following the date of the actuarial valuation.

Notwithstanding the third paragraph, the actuarial valuation report as at 31 December 2010 and the global report at that date must be sent to the Régie at the latest by the 30th day following publication of this Regulation in the *Gazette officielle du Québec*.

**42.** The valuation report must contain the information and statements of the actuary provided for in the section of the standards of practice of the Canadian Institute of Actuaries to which section 4 of the Regulation respecting supplemental pension plans refers, as well as the information provided for under paragraphs 1 through 5 of section 4 and sections 4.1 through 4.4 of the Regulation respecting supplemental pension plans.

For such purposes, it is understood that these provisions and standards apply solely to the affected component of the pension plan.

With respect to the portion of the actuarial valuation performed on a solvency basis, the report must contain, in addition to the information listed in section 4.1 of the Regulation respecting supplemental pension plans:

- (1) the amount of the assets, determined in accordance with the first paragraph of section 6;
- (2) the degree of solvency determined in accordance with section 22;
- (3) the degree of solvency determined in accordance with section 22 but without taking into account section 6.

Furthermore, paragraph 4 of section 4.4 of the Regulation respecting supplemental pension plans is deemed a reference to the special amortization payment determined under section 28.

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



(1) the amount of the technical actuarial deficiency determined in accordance with section 11 and the amount of the technical actuarial deficiency determined in accordance with that section but without taking into account section 6;

(2) as of the actuarial valuation at 31 December 2015, the target degree of solvency at 31 December of each year from 2011 to 2019, determined in accordance with the fifth paragraph of section 25;

(3) the amount of the funding deficiency.

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

(1) the amount of each of the twelve monthly payments for the basic amortization payment for the fiscal year following the date of the actuarial valuation, as well as the amount of each of the six subsequent monthly payments;

(2) the amount of the supplement to the basic amortization payment determined in accordance with section 12;

(3) the contribution in case of production cutbacks for the fiscal year following the date of the actuarial valuation;

(4) as of the actuarial valuation at 31 December 2012, the additional amortization payment for the fiscal year following the date of the actuarial valuation;

(5) as of the actuarial valuation at 31 December 2015, the shortfall in solvency assets at the valuation date and the supplemental sum for the fiscal year following that date;

(6) for the actuarial valuation as at 31 December 2019:

(a) the contribution provided for in subdivision 3 of Division III, for the fiscal year ending on 31 December 2021 and the fiscal year ending on 31 December 2022;

(b) the technical actuarial deficiency of the affected component of the pension plan at the valuation date, determined without taking into account section 6 and without adding to the assets of the affected component the amortization payments provided for in Division III that remain payable;

(c) the amount of the monthly payments relating to the amortization payment which, but for this Regulation, should be paid into the plan as regards the deficiency

determined in accordance with subparagraph *b* during the longest amortization period permitted under the Act for that deficiency;

(7) any amount not required under this Regulation that must be indicated in the report in accordance with section 54.

**45.** For each pension plan registered with the Régie having an affected component at the date of the actuarial valuation, the global report must contain the statements of the actuary provided for in the section of the standards of practice of the Canadian Institute of Actuaries to which section 4 of the Regulation respecting supplemental pension plans refers, and the following information:

(1) the amount of the assets of the affected component, determined on a solvency basis without taking into account section 6, as well as the amount of the liabilities determined on that basis;

(2) the amount of the assets of the affected component, determined in accordance with the first paragraph of section 6;

(3) the amount of the technical actuarial deficiency of the affected component, determined in accordance with section 11;

(4) the degree of solvency of the affected component, determined in accordance with section 22;

(5) for the report as at 31 December 2011 and following:

(a) the overall degree of solvency at the date of the valuation as well as the overall target degree of solvency at that date and at each date of the end of the fiscal year through 31 December 2019;

(b) the amount of the contributions provided for under Division IV that were excluded from the assets of the affected components for the purpose of determining the overall degree of solvency at the date of the valuation;

(c) up to and including the report at 31 December 2014, a mention of the corrective measures that must be taken in accordance with section 32;

(6) in respect of the basic amortization payment, for each of the last six months of the fiscal year following the date of the valuation and each of the subsequent six months:

(a) the amount of the monthly payments that must be made to each of the affected components;

(b) the total of the monthly payments payable;

(7) for the report as at 31 December 2012 and following:

(a) the overall additional amortization payment for the fiscal year following the valuation date and the amount of the additional amortization payment payable to each of the affected components for that fiscal year;

(b) the amount of AbitibiBowater Inc.'s free cash flow at the date of the valuation;

(8) for the report as at 31 December 2015 and following:

(a) the overall supplementary sum for the fiscal year following the valuation date and the amount of the payments determined in accordance with section 23 or 24 payable during each of the two subsequent fiscal years with respect to a payment deficiency;

(b) the amount of the supplementary sum payable to each of the affected components for the fiscal year following the valuation date;

(c) the target degree of solvency of the affected component at the valuation date and the shortfall in solvency assets of the affected component at that date;

(d) for the amount of the payment deficiency:

i. for each of the affected components, the value of element "B" of section 21, as determined for the purpose of calculating the amount of the payment deficiency for the fiscal year ending at the date of the valuation and the value of elements "C" and "D" used to determine the value of element "B";

ii. the value of element "F" and of element "G", as determined for the purpose of calculating the payment deficiency for the fiscal year ending at the date of the valuation and, for each affected component, the benefits and interest paid in accordance with section 8 during the fiscal year;

iii. an estimate of the value of elements "B", "F" and "G" of section 21, as those elements would be determined for the purposes of calculating the amount of the payment deficiency for each of the subsequent fiscal years;

(9) for the contribution in case of production cutbacks:

(a) the amount of any compensatory amount which has become required during the fiscal year ending at the date of the valuation, under an agreement mentioned in section 29;

(b) the amortization period and amount of each payment of the compensatory amount, determined in accordance with section 30;

(c) the amount of the contribution in case of production cutbacks payable to each affected component for the fiscal year following the date of the valuation;

(10) for the report as at 31 December 2019, the supplementary sum payable to each of the affected components for the fiscal years ending on 31 December 2021 and 31 December 2022;

(11) each amount not required under this Regulation – or under the equivalent provisions of the applicable Ontario legislation – that must be indicated in the report in accordance with section 54 as well as the total of any such amounts.

Furthermore, the global report must contain:

(1) the name of any pension plan to which the provisions of this Regulation have ceased to apply at the valuation date as well as the number assigned to it by the Régie;

(2) the name of any pension plan to which the provisions of this Regulation apply at the date the plan is terminated, the date of termination and the number assigned to the plan by the Régie;

(3) the amount of the supplement to the basic amortization payment that must be paid into each of the affected components for the fiscal year following the date of the valuation and the total of all such amounts.

Moreover, the global report must contain the information required for the annual combined report provided for under the applicable Ontario legislation.

**46.** Where corrective measures have been taken in accordance with section 32, the actuarial valuation report for the affected component of a pension plan at the date mentioned in that section, as well as the accompanying global report, must be amended or replaced.

The report on the actuarial valuation, as amended or replaced, must contain the following information, in particular:

(1) a description of any increase in contributions and any change to benefits resulting from the corrective measures for the five fiscal years following the date of the valuation;

(2) the value, at the date of the actuarial valuation, of the increase in contributions, resulting from corrective measures for the five fiscal years following the date of the valuation;

(3) the variation in liabilities, at the date of the valuation, on a funding basis and on a solvency basis, resulting from changes to benefits due to the corrective measures for the five fiscal years following the date of the valuation.

The global report, as amended or replaced, must contain the information described in the preceding paragraph. It shall also show that the corrective measures have achieved the result described in section 33.

An amended report or a new report shall be sent to the Régie at the latest on the last day of the fifteenth month following the date of the valuation.

## DIVISION VII COMMUNICATIONS

**47.** For each fiscal year of a pension plan ending between 30 December 2011 and 1 January 2021, the second part of the annual statement provided for in section 112 of the Act for the affected component of a pension plan must indicate:

(1) the degree of solvency of the component, determined without taking into account section 6, at the date of the most recent actuarial valuation whose report has been sent to the Régie;

(2) the overall degree of solvency and the overall target degree of solvency at the date of the last actuarial valuation for which a global report has been sent to the Régie;

(3) the information listed in subparagraphs 2 to 5 of the first paragraph of section 59.0.2 of the Regulation respecting supplemental pension plans;

(4) if an additional contribution or supplemental sum is required due to the difference between the overall degree of solvency and the overall target degree of solvency, a mention of that fact;

(5) if corrective measures are to be taken due to the difference between the overall degree of solvency and the overall target degree of solvency, a mention of that fact;

(6) unless the measures have been described in a previous annual statement, a description of the corrective measures which have been agreed upon in accordance with section 32 and their objective;

(7) a mention that the period during which the specific funding rules of the affected component of the pension plan apply ends not later than 31 December 2020 and the funding rules under the Supplemental Pension Plans Act shall apply thereafter, such that the solvency deficiency determined at that time may be amortized over the maximum period permitted by the Act.

**48.** Notwithstanding subparagraph 5 of the first paragraph of section 59 of the Regulation respecting supplemental pension plans, where the value of the benefits referred to in section 8 has been paid only in part by the application of sections 143 to 145.1 of the Act, the annual statement provided for in section 112 of the Act shall indicate the balance owing, the date on which the balance is to be paid and the fact that the interest accrued at that date is to be added to the balance.

**49.** The employer shall send the Régie the audited financial statements of AbitibiBowater Inc. within 120 days following the fiscal year end date of a pension plan ending between 30 December 2011 and 1 January 2021.

**50.** An employer party to a pension plan shall, as soon as possible, notify the Régie in writing that a compensatory amount is required under one of the agreements mentioned in section 29.

The notice must contain all the information necessary for determining the contribution provided for under Division IV.

**51.** The Régie may demand from a pension committee, from an employer party to a plan or from Abitibi-Bowater Inc., on the conditions and within the time limits established by the Régie, any document, information or report that it deems necessary to ensure that this Regulation is respected, particularly concerning:

(1) the amount of AbitibiBowater Inc.'s free cash flow;

(2) a compensatory amount required under either of the agreements mentioned in section 29;

(3) the contents of an actuarial valuation report provided for under Division VI or of a global report provided for under that Division;

(4) a measure adopted further to the parties' having been called to a meeting by the Régie in accordance with section 32 or section 37.

## DIVISION VIII MISCELLANEOUS, TRANSITIONAL AND FINAL PROVISIONS

### §1 – Miscellaneous provisions

**52.** For the purposes of this Regulation, the expression “applicable Ontario legislation” refers in particular to the regulation entitled “Abibow Canada Inc. Pension Plans Regulation” (O. Reg. 196/11).

**53.** No improvement unfunded actuarial liability may be determined with regards to the affected component of a pension plan.

**54.** Any amount not required under this Regulation or under the equivalent provision of the applicable Ontario legislation – including any amount for the purposes of funding the balance of the value of benefits – that is paid into the affected component of a pension plan during a fiscal year must correspond to the portion of the total of such amounts that the technical actuarial deficiency of the affected component of the pension plan at the date of the end of the previous fiscal year represents of the total of the technical actuarial deficiencies of the affected components of the pension plans at that date.

That amount shall be indicated in the actuarial valuation report of the affected component sent to the Régie in accordance with section 41 not later than the date of the payment. Furthermore, the amount and the total of such amounts shall be indicated in the global report accompanying the report on the actuarial valuation.

The most recent report on the actuarial valuation that was sent to the Régie in accordance with section 41 and the global report accompanying it may also be amended or replaced in order that the amount and the total of such amounts be shown therein. The amended reports or new reports shall then be sent to the Régie no later than the date of the payment. In such a case, the ratio provided for in the first paragraph is based on the technical actuarial deficiencies as at the date of the actuarial valuation whose report has been thus amended or replaced.

**55.** Where, under section 39.1 of the Act, the Régie authorizes an employer to pay into the affected component of a pension plan a contribution less than that required under this Regulation, a portion of the difference shall be paid into the affected components of those pension plans registered with the Régie, according to the terms and conditions determined by the Régie.

The same applies where provisions of the Ontario legislation allow that, due to fiscal limits, a lesser contribution than that required under the provisions of the

Ontario legislation equivalent to the Regulation be paid into a pension plan registered with Ontario’s Superintendent of Financial Services.

**56.** The fiscal year of a pension plan corresponds to a calendar year.

**57.** AbitibiBowater Inc. means the legal person legally incorporated in that name in 2007 under the General Corporation Law of the State of Delaware and registered in Québec under number 1164884059.

**58.** An amendment to a pension plan that pertains to the division of the assets and liabilities of the pension plan or the merger of all or part of the assets and liabilities of several pension plans into a single plan may, if the amendment concerns the affected component of the plan, take effect only at the date of the end of a fiscal year of the plan.

The amendment shall be considered for the first time on the date of the actuarial valuation that corresponds to the date it becomes effective.

**59.** Where a global report has been sent to the Régie indicating that a contribution is to be paid into an affected component concerned by an amendment provided for under section 58 after the date it becomes effective:

(1) the global report is neither amended nor replaced;

(2) for the fiscal year following the date of the actuarial valuation mentioned in section 58 and the first six months of the subsequent fiscal year, the contributions provided for under Divisions III and IV that an employer must pay into the affected component of a pension plan resulting from the division of the assets and liabilities of a pension plan correspond to element A in the following formula:

$A = B \times C/D$ , where:

“B” represents the total of the contributions provided for under Divisions III and IV that would have been payable into the affected component of the pension plan whose assets and liabilities have been divided;

“C” represents the technical actuarial deficiency of the affected component resulting from the division, as at the date of the actuarial valuation that considers the division for the first time;

“D” corresponds to the total of the technical actuarial deficiencies of the affected components resulting from the division, as at the date of the actuarial valuation that considers the division for the first time;

(3) for the same period, the contributions provided for under Divisions III and IV that an employer must pay into the affected component of a pension plan resulting from a merger under section 58 correspond to the total of the contributions that would have been payable to the affected components of the pension plans that were merged.

**60.** The target degree of solvency of an affected component resulting from the division of the assets and liabilities of a pension plan is determined by increasing, at the dates and to the extent provided for in paragraph 1 to 8 of section 15, the degree of solvency at 31 December 2010 of the corresponding plan that would have resulted from the division of the assets and liabilities of the plan immediately prior to that date, by the same proportion as that by which the assets and liabilities of the plan were in fact divided.

However, the target degree of solvency of an affected component resulting from a division may only be determined in accordance with the first paragraph if the actuary certifies that no element significantly distorts the approximation allowed under that paragraph. In the absence of such a certification, the target degree of solvency of the affected component is determined in accordance with the rules set by the Régie.

The target degree of solvency of the affected component resulting from the merger of all or part of the assets and liabilities of several pension plans into a single plan is determined by increasing, at the dates and to the extent provided for under paragraphs 1 to 8 of section 15, the degree of solvency at 31 December 2010 of the plan that would have resulted from the merger of the plans immediately prior to that date.

The target degree of solvency of an affected component resulting from a merger or division may not, however, exceed 100%.

**61.** Notwithstanding section 48 of the Act, a contribution determined under this Regulation bears interest as of the day on which it becomes payable, at the rate of return of the account of the affected component of the pension fund.

## *§2. Transitional and final provisions*

**62.** Subject to sections 64 and 65, the provisions of this Regulation cease to apply to a pension plan as of the first of the following dates, which must correspond the date of the end of a fiscal year:

(1) the date of the first actuarial valuation showing that, not taking into account section 6, the part of the plan that corresponds to its affected component is solvent;

(2) the date fixed in a writing giving instructions to that effect and sent, by the employer party to the plan, to the pension committee and the Régie prior to the plan's fiscal year end date.

**63.** Where, at the date of the actuarial valuation of a pension plan prior to 31 December 2020, none of the pension plans are still subject to the provisions of this Regulation or to the equivalent provisions of the applicable Ontario legislation, for the purposes of sections 39 and 130 of the Act at the date of the valuation or subsequent valuations, the predetermined portions of the payments determined in accordance with sections 23, 24 and 30 at the time of the last actuarial valuation required under this Regulation, as payable for each of the fiscal years following the date of this valuation, are deemed to be amortization payments, required to amortize a technical actuarial deficiency determined in this actuarial valuation.

The predetermined portion of a payment corresponds to the portion of the payment that the technical actuarial deficiency of the affected component of the pension plan at the date of the last actuarial valuation of the plan required under this Regulation represents of the total of the technical actuarial deficiencies of the affected components of the pension plans at that same date.

For the purposes of the second paragraph, a pension plan to which a contribution determined in accordance with the first paragraph cannot be paid due to the termination of the plan is not taken into account.

**64.** Subject to section 63, for the purpose of sections 39 and 130 of the Act at the date of an actuarial valuation after 30 December 2020, the contributions provided for under subdivision 3 of Division III, determined at the time of the actuarial valuation as at 31 December 2019, are deemed amortization payments required to amortize a technical actuarial deficiency determined at that date.

**65.** Notwithstanding the third paragraph of section 41 of the Act, the amount of the monthly payments that are to be paid into a pension plan by an employer party to the plan, as of January 2021 and until the actuarial valuation report as at 31 December 2020 has been sent to the Régie, corresponds to the total of the following amounts:

(1) the amount of the monthly payments for the amortization payment, determined in accordance with subparagraph c of paragraph 6 of section 44;

(2) the amount of the monthly payments set for the preceding fiscal year with regard to the other component of the plan.

The contribution thus paid, as well as the contribution that should be paid according to the report, may be adjusted according to the provisions of the third paragraph of section 41 of the Act.

**66.** This Regulation has effect from 31 December 2010, with the exception of paragraph 5 of section 4 which has effect from 17 April 2009.

**APPENDIX A**  
(s. 1)

PENSION PLANS REGISTERED WITH THE RÉGIE  
DES RENTES DU QUÉBEC

Number	Registration Plan name on 8 December 2010
24239	Régime de retraite applicable aux employés syndiqués de la Compagnie Abitibi-Consolidated du Canada
101793	Régime de retraite applicable aux employés non-syndiqués de Abitibi-Consolidated inc.
30064	Pension Plan for Executive Employees of Abitibi-Consolidated Inc.
22112	Régime complémentaire de retraite des employés syndiqués de la Compagnie Abitibi-Consolidated du Canada - Division Pâtes et papier - Secteur Clermont
27066	Régime complémentaire de retraite des employés syndiqués de la Compagnie Abitibi-Consolidated du Canada - Divisions Pâtes et papier - Secteur Amos
22322	Régime complémentaire de retraite des employés syndiqués de la Compagnie Abitibi-Consolidated du Canada - Division Pâtes et papier - Secteur Baie-Comeau
30670	Régime de retraite des employés (1988) de Bowater Produits forestiers du Canada inc./ Employees Retirement Plan (1988) of Bowater Canadian Forest Products Inc.
5839	Régime de retraite des employés (1946) de Bowater Produits forestiers du Canada inc. / Employees' Retirement Plan (1946) of Bowater Canadian Forest Products Inc.
31383	Régime de retraite des salariés non syndiqués (1995) de Bowater Produits forestiers du Canada inc.

Number	Registration Plan name on 8 December 2010
31384	Régime de retraite des salariés syndiqués (1994) de Bowater Produits forestiers du Canada inc.

**APPENDIX B**  
(s. 1)

PENSION PLANS REGISTERED WITH  
ONTARIO'S SUPERINTENDENT OF FINANCIAL  
SERVICES

Number	Registration Plan name on 8 December 2010
202440	Pension Plan for Ontario Hourly Employees of Abitibi-Consolidated Company of Canada
294496	Retirement Plan for Unionized Employees of Abitibi-Consolidated Company of Canada – Pulp & Paper Divisions – Thorold Sector
260901	Employees' Retirement Plan (1972) of Bowater Canadian Forest Products Inc.
575324	Supervisory Employees Retirement Plan (1976) of Bowater Canadian Forest Products Inc.
355511	Executive Staff Retirement Plan (1976) of Bowater Canadian Forest Products Inc.
1626	

**M.O., 2011**

**Minister's Order 2011-013 of the Minister of Health and Social Services dated 18 August 2011**

An Act respecting health services and social services (R.S.Q., c. S-4.2)

CONCERNING the application of the Conditions governing the implementation of the second phase of the experimental Québec Health Record project

WHEREAS pursuant to the first paragraph of section 434 of the Act respecting health services and social services (R.S.Q., c. S-4.2), the Minister of Health and Social Services, in performing his duties under the Act, may, notwithstanding any inconsistent provision, to the extent and on the conditions set by the government,