

Treasury Board

T.B. 213377, 19 November 2013

An Act respecting the Government and Public Employees Retirement Plan
(chapter R-10)

Pension plan for federal employees transferred to employment with the Gouvernement du Québec — Amendment

Amendments to the Pension plan for federal employees transferred to employment with the Gouvernement du Québec

WHEREAS, under the first paragraph of section 10.0.1 of the Act respecting the Government and Public Employees Retirement Plan (chapter R-10), employees of the federal government who transfer to an employment that is pensionable employment under the plan provided for in the Act or the Pension Plan of Management Personnel within the framework of an agreement between the Government of Canada and the Gouvernement du Québec may, where the agreement so provides, elect, in accordance with the rules and conditions fixed by the Government, to become members of the plan provided for in the Act, of the Pension Plan of Management Personnel if, in the latter case, they hold employment that is pensionable employment under that plan, or of a pension plan established by the Government in respect of those employees or of each group of employees affected by such an agreement and similar to the plan to which they formerly belonged;

WHEREAS the Government made the Pension plan for federal employees transferred to employment with the Gouvernement du Québec (chapter R-10, r. 10) by Order in Council 430-93 dated 31 March 1993;

WHEREAS, under the first paragraph of section 10.0.1 of the Act, section 125 of the Act applies to the plan so established;

WHEREAS, under section 125 of the Act, no supplemental pension plan may be amended without prior authorization by the Commission administrative des régimes de retraite et d'assurances and any amendment entailing additional costs for the plan may be authorized by the Government;

WHEREAS, under section 40 of the Public Administration Act (chapter A-6.01), the Conseil du trésor, after consulting the Minister of Finance, exercises the powers conferred on the Government by an Act that establishes a pension plan applicable to personnel of the public and parapublic sectors, except certain powers;

WHEREAS it is expedient to amend the Regulation;

WHEREAS the Commission authorized the amendments to the plan;

WHEREAS the consultation has been held;

THE CONSEIL DU TRÉSOR DECIDES:

THAT the Amendments to the Pension plan for federal employees transferred to employment with the Gouvernement du Québec, attached hereto, is hereby made.

MARIE-CLAUDE RIOUX,
La greffière du Conseil du trésor,

Amendments to the Pension plan for federal employees transferred to employment with the Gouvernement du Québec

An Act respecting the Government and Public Employees Retirement Plan
(chapter R-10, s. 10.0.1)

1. The Pension plan for federal employees transferred to employment with the Gouvernement du Québec (chapter R-10, r. 10) is amended by replacing section 36 by the following:

“**36.** An employer must deduct from the pensionable salary paid by the employer to the employee and, where applicable, to a pensioner or a person who ceased to participate in the plan, in the case of the pensionable salary referred to in section 14.1 or in the case of a lump sum referred to in section 16 of the provincial Act, an annual amount established on the basis of the following contribution rates:

(1) 7.5% up to the part of the salary corresponding to the personal exemption within the meaning of the Act respecting the Québec Pension Plan (chapter R-9);

(2) 5.2% on the part of the salary in excess of the personal exemption up to the maximum pensionable earnings within the meaning of that Act;

(3) 7.5% on the part of the employee's salary in excess of the maximum pensionable earnings.

The contribution rates provided for in the first paragraph may vary in relation to the plan's capitalization ratio established from the actuarial valuation referred to in section 93 or from an update of it. That ratio, expressed as a percentage, is equal to the ratio between the market value of the plan's assets and its actuarial liabilities determined by taking into account the margin for adverse deviation corresponding to a 0.50% reduction of the expected future return assumption.

Each of the contribution rates provided for in the first paragraph is equal to 0% if the plan's capitalization ratio is equal to or greater than 120%. They are respectively reduced by 50% if that ratio is equal to or greater than 110% but less than 120%. The contribution rates provided for in the first paragraph remain applicable if that ratio is equal to or greater than 100% but less than 110%.

If the plan's capitalization ratio is less than 100%, a second capitalization ratio is to be established by not taking into account the 0.50% margin for adverse deviation. In that case, if the second ratio is equal to or greater than 100%, the rates provided for in the first paragraph remain applicable. If the second ratio is less than 100%, each of the contribution rates provided for in the first paragraph is increased by 0.20% for each 1% reduction between 100% and the second ratio, up to 9.7% for the rates respectively provided for in subparagraphs 1 and 3 of the first paragraph and up to 7.4% for the rate provided for in subparagraph 2 of the first paragraph, as shown in Schedule I.

The contribution rates provided for in the first paragraph may be increased or reduced only in accordance with this section, unless a modification resulting in an additional cost is made to the plan.

For the purposes of this section, a capitalization ratio including a percentage fraction is reduced to the nearest whole percentage if that fraction is equal to or greater than 0.50%; if that fraction percentage is greater than 0.50%, the capitalization ratio then considered is to be increased to the nearest whole percentage.”

2. The first paragraph of section 36.1 is replaced by the following:

“A 0.83% reduction is applied to each of the contribution rates determined in accordance with section 36 for the purpose of computing the deduction to be made from the pensionable salary of the employee who, if the employee participated in the provincial pension plan, would be a non-unionizable employee within the meaning of the provincial Act. However, no reduction is to be applied if, pursuant to the third paragraph of that section, each of the contribution rates is equal to 0%.”

3. The following paragraph is added at the end of section 37:

“However, the contribution rate is equal to 0% if, pursuant to the third paragraph of section 36, each of the contribution rates is equal to 0%.”

4. The heading of Division 0.1 of Chapter V is amended by replacing “2010” by “2014”.

5. Section 54.1 is amended by replacing “2010” by “2014” and by inserting “and section 57” after “55.2”.

6. The heading of Division I of Chapter V is amended by replacing “2009” by “2013”.

7. Section 55 is amended by replacing “2009” in the first paragraph by “2013” and by replacing the number “6”, wherever it appears, by “5”.

8. Section 55.1 is amended by replacing the number “6” wherever it appears in subparagraph 1 of the first paragraph by “5”.

9. Section 57 is amended by replacing the number “2” in the first paragraph by “4”.

10. The following is added after section 90:

“DIVISION V MAXIMUM BENEFITS

90.0.1. The pension amounts calculated pursuant to this Chapter may be granted only within the limits allowed under the Income Tax Act.”

11. Section 93 is replaced by the following:

“**93.** Every 3 years, the Commission must have an actuarial valuation of the plan prepared. The Commission must also have an annual updating of that valuation prepared.”

The actuarial valuation and any updating thereof are prepared by actuaries designated by the Commission.

93.1. The rates of contribution to the plan, determined in accordance with section 36, are based on the result of the actuarial valuation referred to in section 93, and the result of its updates. The rates applicable each year are revised on 1 January following the date of the actuarial valuation or of an update of it, as the case may be.”.

12. The following is added after section 99:

“SCHEDULE I

(s. 36)

**CONTRIBUTION RATES SET IN RELATION
TO THE PLAN’S CAPITALIZATION RATIO
ESTABLISHED WITHOUT TAKING INTO
ACCOUNT THE 0.50% MARGIN FOR
ADVERSE DEVIATION**

Capitalization ratio (without margin for adverse deviation)	Contribution rate applicable to subparagraphs 1 and 3 of the first paragraph of section 36	Contribution rate applicable to subparagraph 2 of the first paragraph of section 36
99%	7.7%	5.4%
98%	7.9%	5.6%
97%	8.1%	5.8%
96%	8.3%	6.0%
95%	8.5%	6.2%
94%	8.7%	6.4%
93%	8.9%	6.6%
92%	9.1%	6.8%
91%	9.3%	7.0%
90%	9.5%	7.2%
89% or less	9.7%	7.4%

”.

13. These Amendments come into force on 1 January 2014.