Draft Regulations

Draft Regulation

Supplemental Pension Plans Act
(chapter R-15.1)

An Act to provide for the establishment of target-benefit pension plans in certain pulp and paper sector enterprises
(2012, chapter 32)

Target-benefit pension plans in certain pulp and paper sector enterprises — Amendment

Notice is hereby given, in accordance with sections 10 and 11 of the Regulations Act (chapter R-18.1), that the Regulation to amend the Regulation respecting target-benefit pension plans in certain pulp and paper sector enterprises, appearing below, may be made by the Government on the expiry of 45 days following this publication.

The purpose of the draft Regulation is to allow target-benefit pension plans to be funded solely on a funding basis and the amortization period for a funding deficiency to be 10 years instead of 15 years. The draft Regulation also aims to strengthen funding for those plans by means of an additional contribution to the plan that would be allocated to establishing the reserve.

The draft Regulation has no negative impact on businesses, including small and medium-sized businesses.

Further information may be obtained by contacting Mathieu Guay, Régie des rentes du Québec, Place de la Cité, 2600, boulevard Laurier, 5e étage, Québec (Québec) G1V 4T3 (telephone: 418 643-8282; fax: 418 643-7421; email: mathieu.guay@rrq.gouv.qc.ca).

Any person wishing to comment on the draft Regulation is asked to submit written comments within the 45-day period to Norman Johnston, President and Chief Executive Officer of the Régie des rentes du Québec, Place de la Cité, 2600, boulevard Laurier, 5e étage, Québec (Québec) G1V 4T3. The comments will be forwarded by the Régie to the Minister of Labour, Employment and Social Solidarity, who is responsible for the administration of the Supplemental Pension Plans Act.

SAM HAMAD,
Minister of Labour, Employment and Social Solidarity

Regulation to amend the Regulation respecting target-benefit pension plans in certain pulp and paper sector enterprises

Supplemental Pension Plans Act
(chapter R-15.1, s. 2, 2nd and 3rd pars.)

An Act to provide for the establishment of target-benefit pension plans in certain pulp and paper sector enterprises
(2012, chapter 32)

1. The Regulation respecting target-benefit pension plans in certain pulp and paper sector enterprises (chapter R-15.1, r. 6.1.01) is amended by replacing paragraph 2 of section 8 by the following:

"(2) the amortization payment determined in respect of the funding actuarial deficiency.".

2. Section 9 is replaced by the following:

"**9.** The amortization period for a funding actuarial deficiency ends, notwithstanding paragraph 2 of section 142 of the Act, no later than 10 years after the date of the actuarial valuation that determines the deficiency.".

3. Section 12 is replaced by the following:

"**12.** In addition to the actuarial gains that must be allocated to establishing the reserve referred to in section 128 of the Act, an additional contribution which represents at least 15% of the current service contribution referred to in section 38 of the Act must be made to the plan to be allocated to establishing the reserve. The additional contribution is established without taking into account any margin for adverse deviations provided for by the Canadian Institute of Actuaries.".

4. Section 15 is amended by replacing "solvency" by "funding" in the first paragraph.

5. The following sections are added after section 61:

"**62.** Amortization payments related to any technical deficiency determined on the date of an actuarial valuation prior to 31 December 2014, where applicable, are eliminated.

63. The pension committee must send the Régie, no later than (*insert the date that occurs 75 days after the coming into force of this Regulation*), a report which amends or replaces the actuarial valuation report as at 31 December 2014.".

6. This Regulation comes into force on the fifteenth day following the date of its publication in the *Gazette officielle du Québec*. However, it has effect from 31 December 2014.

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