

Canadian provinces and North American markets	Default emission factor (metric ton GHG/MWh)
- Arkansas	
- Iowa	
- Minnesota	
- Montana	
- North Dakota	
- South Dakota	
- Wyoming	

”.

(4) in protocol QC.30

(a) in the first paragraph of QC.30.2

i. by inserting “or in subparagraph 3 of the second paragraph” after “an emitter referred to in the first paragraph” in subparagraph 1;

ii. by inserting “or in subparagraph 3 of the second paragraph” after “each emitter referred to in the first paragraph” in subparagraph 3;

iii. by inserting “or in subparagraph 3 of the second paragraph” after “of an emitter referred to in the first paragraph” in subparagraph 3.2;

(b) by inserting “or in subparagraph 3 of the second paragraph” after “establishments referred to in the first paragraph” in the definition of the factor “ $Q_i^G$ ” in equation 30-2 of QC.30.3.

**2.** The greenhouse gas emissions report for 2021, communicated to the Minister not later than 1 June 2022 in accordance with section 6.2 of the Regulation respecting mandatory reporting of certain emissions of contaminants into the atmosphere, includes the information and documents as amended by subparagraph 4 of the first paragraph of section 1 of this Regulation.

**3.** This Regulation comes into force on 1 January 2022.

105275

## Draft Regulation

Supplemental Pension Plans Act  
(chapter R-15.1)

Act mainly to allow the establishment of target benefit pension plans  
(2020, chapter 30)

### Supplemental pension plans — Amendment

Notice is hereby given, in accordance with sections 10 and 11 of the Regulations Act (chapter R-18.1), that the draft Regulation to amend the Regulation respecting supplemental pension plans, appearing below, may be submitted to the Government for approval on the expiry of 45 days following this publication.

The purpose of the draft Regulation is to follow up on various measures made by the Act mainly to allow the establishment of target benefit pension plans (2020, chapter 30). The measures concern mainly:

— the contents of the actuarial valuation report of a pension plan and other documents provided for in the Supplemental Pension Plans Act (chapter R-15.1);

— the methods, assumptions, rules or factors which are applicable;

— the fees payable in the event of termination of a plan with surplus assets;

— the procedure for any matter within Retraite Québec’s competence, the applicable time limits and the required documents;

— the subjects that must be placed on the agenda of the annual meeting;

— the rules to which are submitted the conversion of a target-benefit plan into a defined-benefit plan and the conversion of a defined-contribution plan into a target-benefit plan;

— the rules and conditions for the conversion of a negotiated contribution multi-employer plan into a target-benefit plan;

— the rules for establishing the degree of solvency of the pension plan according to intervals shorter than a fiscal year;

— the criteria according to which the plan's assets do not permit payment in full of the benefits of the members and beneficiaries, and the conditions and procedure relating to the transfer option where the criteria are met;

— the time limit and procedure for sending to members and beneficiaries the statement of benefits and the value thereof in the event of the withdrawal of an employer that is a party to a target-benefit pension plan.

The draft Regulation does not entail any costs for enterprises, including small and medium-sized businesses, and could result in minimal cost savings.

Further information on the draft Regulation may be obtained by contacting Patrick Provost, Retraite Québec, Place de la Cité, 2600, boulevard Laurier, 5<sup>e</sup> étage, Québec (Québec) G1V 4T3; email: patrick.provost@retraitequebec.gouv.qc.ca; telephone: 418 657-8714, extension 4484; fax: 418 643-7421.

Any person wishing to comment on the draft Regulation is asked to submit written comments within the 45-day period to Michel Després, President and Chief Executive Officer of Retraite Québec, Place de la Cité, 2600, boulevard Laurier, 5<sup>e</sup> étage, Québec (Québec) G1V 4T3. The comments will be forwarded by Retraite Québec to the Minister of Finance, who is responsible for the administration of the Supplemental Pension Plans Act.

ERIC GIRARD  
*Minister of Finance*

## Regulation to amend the Regulation respecting supplemental pension plans

Supplemental Pension Plans Act  
(chapter R-15.1, s. 244, 1st par., subpars. 1, 1.1, 2, 3.1, 7, 8.0.2, 8.0.5, 8.0.6, 8.0.7, 8.0.10, 8.5, 11, 12, 13 and 14)

Act mainly to allow the establishment of target-benefit pension plans  
(2020, chapter 30, s. 96)

**1.** The Regulation respecting supplemental pension plans (chapter R-15.1, r. 6) is amended in the first paragraph of section 1 by replacing “required under the second paragraph of section 24” in the part preceding subparagraph 1 of the first paragraph by “required under the second paragraph of section 24 and the second paragraph of section 146.56”.

### **2.** Section 2 is amended

(1) by replacing “required under the second paragraph of section 24” in the part preceding subparagraph 1 of the first paragraph by “required under the second paragraph of section 24 and the second paragraph of section 146.56”;

(2) by inserting the following after subparagraph 2 of the first paragraph:

“(2.1) if the amendment concerns the contribution to be paid as defined- contribution provisions under a defined-benefit plan or a target-benefit plan and unless the contributions resulting therefrom are indicated in an actuarial valuation report sent to Retraite Québec, member and employer contributions to be paid for that reason as of the effective date of the amendment for all or part of each fiscal year covered by the most recent actuarial valuation of the plan for which the report was sent to Retraite Québec;”.

### **3.** Section 5 is amended

(1) by replacing “, under sections 10 to 11.1 where applicable, and under section 11.3,” in the part preceding paragraph 1 by “and, where applicable, under sections 9.1 to 11.1 and 11.3;”;

(2) by replacing “under defined benefit provisions or money purchase provisions within the meaning of section 965.0.1 of the Taxation Act (chapter I-3), or under both types of provisions” in paragraph 1 by “under defined-contribution provisions, target-benefit provisions or defined-benefit provisions, or under a combination of those types of provisions”;

(3) by inserting the following after paragraph 2:

“(2.1) in the case of a target-benefit plan, a summary of the provisions of the plan that must be taken into account for the purposes of the valuation, regarding the recovery measures, their objective and the conditions and procedure for applying them, the conditions and procedure for restoring benefits that have been reduced and the conditions and procedure for appropriating surplus assets;”.

### **4.** Section 6 is amended

(1) by adding “and, in the case of a target-benefit plan, the contribution projected for each of the following two fiscal years” at the end of subparagraph 1 of the first paragraph;

(2) by inserting “for a plan other than a target-benefit plan,” at the beginning of subparagraph 3 of the first paragraph;

(3) in subparagraph 4 of the first paragraph:

(a) by inserting “or subparagraph 1, regarding a target-benefit plan,” after “referred to in subparagraph 3”;

(b) by replacing “defined benefit” wherever it appears by “defined-benefit or target-benefit”;

(4) by replacing “third” in subparagraph 7 of the first paragraph by “fourth”.

**5.** Section 8 is amended by replacing “to be made” in subparagraph 2 of the first paragraph by “required”.

**6.** Section 9 is amended by adding the following paragraph at the end:

“(7) where applicable, the method, referred to in section 67.6.2, allowing to establish the degree of solvency of the plan according to intervals shorter than a fiscal year and the terms of the calculation of the degree of solvency provided for in the plan.”.

**7.** The following is inserted after section 9:

“**9.1.** The actuarial valuation report of a target-benefit plan must include a review of the sufficiency of contributions, separately for service after the valuation date and for service credited at that date.

**9.2.** For the purposes of a review of the sufficiency of contributions for service after the valuation date, the report must indicate

(1) the current service contribution required for each of the fiscal years immediately following the actuarial valuation and the portion of the current service contribution that constitutes the stabilization provision;

(2) the contributions which, according to the plan text, must be paid respectively by the employer and by the members for those three fiscal years;

(3) where applicable, the amount of the insufficiency of contributions relating to service.

If an insufficiency of contributions relating to service after the valuation date is shown, the report must also include

(1) a description of the recovery measures relating to that insufficiency applied by the pension committee, in accordance with the plan text, and their effective date;

(2) taking into account these recovery measures:

(a) the current service contribution for each of the three fiscal years immediately following the actuarial valuation and the portion of the current service contribution that constitutes the stabilization provision;

(b) the employer contribution and the member contribution for those three fiscal years.

It must be certified that the contributions are sufficient for service after the valuation date.

**9.3.** For the purposes of the review of the sufficiency of contributions relating to service at the valuation date, after application of the provisions of the second paragraph of section 9.2, if applicable, the report must indicate

(1) the information referred to in paragraphs 3 and 4 of section 5 and in the first paragraph of section 8;

(2) the technical amortization payment required for each of the three fiscal years immediately following the actuarial valuation;

(3) where applicable, the amount of the insufficiency of contributions relating to such service.

If an insufficiency of contributions relating to service credited at the valuation date is shown, the report must also include

(1) a description of the recovery measures relating to that insufficiency applied by the pension committee, in accordance with the plan text, and their effective date;

(2) taking into account these recovery measures and, where applicable, those referred to in section 9.2,

(a) the information referred to in paragraphs 3 and 4 of section 5 and in the first paragraph of section 8;

(b) the technical amortization payment required for each of the three fiscal years immediately following the actuarial valuation;

(c) the employer contribution and member contribution for those three fiscal years;

(3) where applicable, the reduction in the value of the benefits for the group of active members and the reduction in the value of the benefits for the group of non-active members and beneficiaries resulting from the application of recovery measures;

(4) a certification that it meets the requirements of section 146.73 of the Act.

It must be certified that the contributions are sufficient regarding service credited at the valuation date.

**9.4.** If, pursuant to the plan, benefits that have been reduced must be restored, the actuarial valuation report must contain

(1) a description of the recovery measures applied by the pension committee, in accordance with the plan text, and their effective date;

(2) the information referred to in paragraphs 3 to 5 of section 5, before and after the restoration of benefits;

(3) a certification that it meets the requirements of the second paragraph of section 146.83 of the Act.

**8.** Section 10 is amended

(1) by replacing “relatif” in subparagraph 1 of the second paragraph of the French text by “relative”;

(2) by adding the following paragraph at the end:

“In the case of a target-benefit plan, the report must include a certification of the actuary that the amendment does not have the effect of creating an insufficiency of contributions.”.

**9.** Section 11.1 is amended by adding the following paragraph at the end:

“In the case of a target-benefit plan, the additional information is as follows:

(1) the maximum amount of surplus assets that may be used, established in accordance with the second paragraph of section 146.9.1.2 of the Act, and the amount of surplus assets used and the procedure for appropriating surplus assets applied by the pension committee, in accordance with the plan text;

(2) the amount of surplus assets appropriated for the benefit of active members and the proportion represented by that amount in relation to the liabilities related to their benefits and the amount appropriated for the benefit of non-active members and beneficiaries and the proportion it represents in relation to the liabilities related to their benefits;

(3) the certification that it meets the requirements of section 146.9.1.5 of the Act.”.

**10.** The heading after Division II is replaced by “REQUIRED FEES”.

**11.** Section 13.1 is revoked.

**12.** The heading of Division II.1 is replaced by “BENEFITS”.

**13.** The following is inserted after the heading of Division II.1:

“§1. *Member benefits and payment of an early benefit*”.

**14.** Section 15.3 is amended

(1) by replacing the second sentence of the first paragraph by the following: “The amount is said to be a negative pension; it is determined in accordance with the second paragraph. The pension committee must keep a record of the negative pension, as well as the adjustments made thereto in accordance with the fourth paragraph.”;

(2) in the second paragraph

(a) by replacing “That amount, as well as the value of the benefits referred to in subparagraph 3 of the first paragraph of section 69.1 of the Act, shall be determined” by “The negative pension, and the value of the benefits referred to in subparagraph 3 of the first paragraph of section 69.1 of the Act, must be determined”;

(b) by replacing “of the other benefits to which section 60 of the Act applies and” by “of benefits under the plan”;

(3) in the third paragraph

(a) by replacing “the amount determined in the second paragraph” in subparagraph 1 by “the amount of the negative pension”;

(b) by replacing “of that portion of the pension of which the valuated amount is referred to in the second paragraph” in subparagraph 2 by “of the negative pension”;

(4) by replacing the fourth and fifth paragraphs by the following:

“The amount of the negative pension must be adjusted to take into account

(1) any change to the normal pension registered or taking effect after the date on which the early benefit is paid and which would have reduced or increased the value of the member’s benefits at that date; however, in the

case of a defined-benefit plan, such a change whose effect would have increased the value of the member's benefits is taken into consideration only if the plan so provides;

(2) in a target-benefit plan, any change to the normal pension resulting from recovery measures or the restoration of benefits, provided for in an actuarial valuation whose report is sent to Retraite Québec after the date on which the early benefit is paid or taking effect after that date, which would have reduced or increased the value of the member's benefits at that date.

If the change or adjustment concerns the amount of the normal pension, the amount of the negative pension must be adjusted in proportion equal to the one that applies to the amount of the normal pension determined as at the date of the payment. If the change or adjustment concerns a condition or a characteristic of the normal pension, the condition or characteristic that results therefrom must be applied to the portion of the pension that corresponds to the negative pension.”

**15.** The following is inserted after section 15.3:

“**15.3.1.** In the case of a target-benefit plan, where section 15.3 applies, the pension committee must also determine, as at the date of payment of the early benefit, a negative target pension.

The provisions of section 54.2 apply, with the necessary modifications, where the target negative pension is determined.

In addition, where payment of the retirement, disability or replacement pension begins, the target pension must be reduced by the amount referred to in section 54.2 or, if payment of the pension begins on a date other than that of the normal retirement age, by a sum equivalent to that amount”.

**16.** The heading entitled “**DIVISION II.2 TEMPORARY PENSION**” is replaced by “**§2. Temporary pension**”.

**17.** The heading entitled “**DIVISION II.3 VARIABLE BENEFITS**” is replaced by “**§3. Variable benefits**”.

**18.** Section 16.1 is amended by replacing “in a defined benefit plan or defined benefit-defined contribution plan” by “in a defined-benefit plan or target-benefit plan”.

**19.** Section 30 is amended by replacing “, as compiled by the Bank of Canada” in paragraph 3 by “, established based on the rate published on the last Wednesday of each month, Series V80691336 in the CANSIM system”.

**20.** Section 37 is amended by replacing “other benefits to which section 60 of the Act applies and” in the second paragraph by “benefits under the plan”.

**21.** Section 39 is amended by replacing the third paragraph by the following:

“The average annual rates on the deposits referred to in the second paragraph are determined, for each year, by taking the average of the rates of return on those term deposits, as compiled monthly by Statistics Canada and published in the Bank of Canada Banking and Financial Statistics, Series V122515 in the CANSIM system. For the period after 30 September 2019, the average is calculated using the rates of the last Wednesday of each month published in the Bank of Canada Banking and Financial Statistics, Series V80691336 in the CANSIM system. Despite the foregoing, where the rates are available for a number of months in the current year fewer than 6, that average is calculated on the basis of the last 6 months available.”

**22.** The heading of subdivision 5 of Division V is replaced by the following:

“**§5. Application for partition or transfer of benefits**”.

**23.** Section 47 is amended by replacing “informing him of that application and of the amount claimed by his spouse” in the first paragraph by “informing him or her of the amount that would be granted to the spouse based on the application”.

**24.** The following heading is inserted after section 48:

“**§5.1. Execution of partition or of transfer of benefits**”.

**25.** Section 50 is amended by adding “, but only with regard to capital benefits in the case of a target-benefit plan” at the end of subparagraph *a* of subparagraph 2 of the first paragraph.

**26.** The following heading is inserted after section 53:

“**§5.2. Negative pension**”.

**27.** Section 54 is amended

(1) by replacing the second sentence of the first paragraph by the following:

“The amount is said to be a negative pension. The pension committee must keep a record of the negative pension, as well as the adjustments made thereto in accordance with the second and third paragraphs of section 55”;



(2) by replacing “the amount provided for in first paragraph is determined” in the second paragraph by “the negative pension is determined”;

(3) in the third paragraph

(a) by replacing “The amount provided for in the first paragraph is determined” by “The negative pension is determined”;

(b) by replacing “Il est établi” in the second sentence of the French text by “Elle est établie”.

**28.** Section 54.1 is amended by replacing “the amount referred to in section 54 is established” by “the negative pension is established”.

**29.** The following is inserted after section 54.1:

“**54.2.** In the case of a target-benefit plan, where section 54 applies, the pension committee must also establish, at the valuation date, a negative target pension. It must keep a record of the negative target pension and adjust it where subparagraph 1 of the second paragraph of section 55 applies.

The negative target pension is obtained by applying to the amount of the normal target pension, that would be payable to the member at normal retirement age as credited service at the valuation date, the proportion represented by the negative pension related to the normal pension that was used to establish the negative pension according to the first paragraph of section 54.”.

**30.** The heading of subdivision 6 of Division V is amended by replacing “Residual benefits of the member” by “Reduction of benefits”.

**31.** Section 55 is amended

(1) by replacing “the amount referred to in section 54” wherever it appears in subparagraph 2 of the first paragraph by “the amount of the negative pension referred to in section 54”;

(2) by replacing the second and third paragraphs by the following:

“For the purposes of subparagraph 2 of the first paragraph, the negative pension must be adjusted to take into account

(1) any change to the normal pension registered or taking effect after the valuation date which would have reduced or increased the value of the member’s benefits at that date; however, in the case of a defined-benefit plan,

only such a change whose effect is to increase the value of the member’s benefits is taken into consideration if the plan so provides;

(2) in a target-benefit plan, any change to the normal pension resulting from recovery measures or the restoration of benefits, provided for in an actuarial valuation whose report is sent to Retraite Québec after the valuation date or taking effect after that date, which would have reduced or increased the value of the member’s benefits at the valuation date.

If the change or adjustment concerns the amount of the normal pension, the adjustment of the amount of the negative pension must be adjusted in proportion equal to the one that applies to the amount of the normal pension determined as at the valuation date. If the change or adjustment concerns a condition or a characteristic of the normal pension, the condition or characteristic that results therefrom must be applied to the portion of the pension that corresponds to the amount of the negative pension.”;

(3) by inserting “Except in the case of a target-benefit plan,” at the beginning of the fifth paragraph.

**32.** The following is inserted after section 55:

“**55.1.** In the case of a retirement, disability or replacement pension being paid at the valuation date for the purposes of the partition or transfer of benefits, the target pension must be reduced in a proportion equal to the one that applies under the first paragraph of section 55. It must also be reduced by the amount whose pension paid is reduced pursuant to the fourth paragraph of section 55.

In the case of a retirement, disability or replacement pension of which payment begins after that date, the target pension must be reduced by the amount referred to in section 54.2 or, if payment of that pension begins on a date other than the date of normal retirement age, by a sum equal to that amount.”.

**33.** Section 56.0.3 is amended

(1) by replacing the second sentence of the first paragraph by the following:

“The amount is said to be a negative pension. The pension committee must keep a record of the negative pension, as well as the adjustments made thereto pursuant to section 56.0.6.”;

(2) by replacing “the amount provided for in the first paragraph is determined” in the second paragraph, “the amount provided for in the first paragraph shall be determined” in the third paragraph by “the negative pension is determined”;

(3) by replacing “the amount referred to in the first paragraph is determined” in the fourth and fifth paragraphs by “the negative pension is determined”.

**34.** The following is inserted after section 56.0.3:

“**56.0.3.1.** In the case of a target-benefit plan, where section 56.0.3 applies, the pension committee must also determine, at the date referred to in section 56.0.2, a negative target pension.

The provisions of section 54.2 apply, with the necessary modifications, where the negative pension is determined.”

**35.** Section 56.0.6 is amended

(1) by replacing “amount referred to in section 56.0.3” wherever it appears in subparagraph 2 of the first paragraph by “amount of the negative pension referred to in section 56.0.3”;

(2) by replacing the second paragraph by the following:

“For the purposes of subparagraph 2 of the first paragraph, the amount of the negative pension referred to in section 56.0.3 must be adjusted in accordance with the rules provided for in the second and third paragraphs of section 55, which apply according to the date referred to in section 56.0.2.”;

(3) by replacing “utilisation” in the third paragraph of the French text by “utilisant”;

(4) by inserting “Except in the case of a target-benefit plan,” at the beginning of the fourth paragraph.

**36.** The following is inserted after section 56.0.6:

“**56.0.7.** In the case of a retirement, disability or replacement pension being paid at the date referred to in section 56.0.2, the target pension must be reduced in a proportion equal to the one that applies under the first paragraph of section 56.0.6. It must also be reduced by the amount whose pension paid is reduced pursuant to the third paragraph of section 56.0.6.

In the case of a retirement, disability or replacement pension whose payment begins after that date, the target pension must be reduced by the amount of the negative target pension referred to in section 56.0.3.1 or, if payment of the pension begins on a date other than the date of normal retirement age, by a sum equal to that amount.”

**37.** The following is inserted after the heading of Division VI:

“**§1.** *Summary of the plan*”.

**38.** Section 56.1 is amended

(1) by replacing “in the case of a plan to which chapter X of the Act applies” in paragraph 6 by “in the case of a plan to which Chapter X of the Act applies, except for a target-benefit plan,”;

(2) by adding the following paragraph at the end:

“The summary of a target-benefit plan must also contain the following information:

(1) a description of what is a target-benefit plan, including the fact that the benefits can be reduced in the event of insufficient contributions;

(2) a description of the risks incurred by the members and beneficiaries and the means taken to manage those risks.”

**39.** The following is inserted after section 56.1:

“**§2.** *Statements of benefits*”.

**56.1.1.** In the case of a target-benefit plan, each time the mention of the amount of the normal pension or of another benefit, the reduction of such a pension or benefit or the value of benefits is required by a provision of this subdivision, that amount or value determined according to the benefit target must be mentioned and, where applicable, that amount or value determined taking into account, regardless of its effective date, any adjustment resulting from the application of recovery measures, the restoration of benefits or the appropriation of a surplus assets provided for in an actuarial valuation report of the plan sent to Retraite Québec must also be mentioned.”

**40.** Section 57 is amended

(1) in subparagraph 10 of the first paragraph

(a) by inserting “, or member contributions in the case of a target-benefit plan,” after “service contributions and amortization payments”;

(b) by replacing “a defined contribution pension plan” by “a defined-contribution plan or a target-benefit plan”;

(c) by inserting “of a phased retirement benefit or” after “to payment”;

(2) in subparagraph 12 of the first paragraph

(a) by replacing “a defined benefit plan” by “a defined-benefit plan or a target-benefit plan”;

(b) by inserting “and” after “accrued interest”;

(c) by inserting “of a phased retirement benefit or” after “to payment”;

(3) by inserting the following after subparagraph 15 of the first paragraph:

“(15.1) in the case of a target-benefit plan, the amount of any adjustment to the benefits resulting from the application of recovery measures, the restoration of benefits or the appropriation of surplus assets which, as the case may be, is provided for in an actuarial valuation report as at the date of the end of the fiscal year covered by the statement;”;

(4) by adding “, except for a target-benefit plan, the rules concerning the cap on the degree of solvency” after “member’s benefits” at the end of subparagraph 1.2 of the second paragraph;

(5) by replacing subparagraph 1.3 of the second paragraph by the following:

“(1.3) if they apply to the member, the rules provided for in sections 144 to 145.1 of the Act;

(1.4) except for a target-benefit plan, the rules provided for in section 146 of the Act with regard to the payment of the balance of the value of the member’s benefits or, where applicable, a mention of the rules set out in the plan;”.

#### **41.** Section 58 is amended

(1) by replacing paragraph 2 by the following:

“(2) in the event that the member is entitled to a refund, the conditions related to that entitlement and the amount of the refund or the method used to determine it;”;

(2) by replacing “in paragraphs 1 to 15 of the first paragraph of section 57” in paragraph 3 by “in the first paragraph of section 57”;

(3) in paragraph 4

(a) by replacing “of an option provided for in section 93 of the Act” in subparagraph *c* by “of an option provided for in section 91.1, 92.1 or 93 of the Act”;

(b) by inserting the following after subparagraph *c*:

“(c.1) if the member is entitled to a bridging benefit, the amount of that benefit and the date on which it will cease to be paid;

(c.2) in the case of a joint and last survivor annuity, the amount of the annuity that will be paid when the member dies or the method used to calculate it;

(c.3) in the case of an indexed pension, the method used to calculate the indexation and the time when it will be applied;

(c.4) in the case of a guaranteed pension, the period of the guarantee;”;

(c) by replacing “temporary pension or pension fraction” in subparagraph *d* by “temporary pension”;

(4) in paragraph 5

(a) by replacing “without exercising the choices” in the part preceding paragraph *a* by “but did not exercise the choices”;

(b) by replacing subparagraph *c* by the following:

“(c) a description of the choices that can be exercised and the adjustments that would result therefrom;”;

(5) in paragraph 6

(a) by replacing “temporary pension or pension fraction” in subparagraph *d* by “temporary pension”;

(b) by adding the following subparagraph at the end:

“(e) if the plan provides that the disability pension is increased when the member reaches 65 years of age by reason of the termination of a disability pension under the Act respecting the Québec Pension Plan (chapter R-9), the amount of that increase;”;

(6) by replacing paragraphs 9 to 9.3 by the following:

“(9) if the member can exercise the right to a transfer provided for in section 98 of the Act,

(a) the rules applicable to the transfer of benefits to another pension plan;

(b) the most recent degree of solvency of the plan on the date on which the value of benefits is determined;



(c) the rules provided for in section 143 of the Act regarding the degree of solvency of the plan that is to be used for the purpose of paying the member's benefits, except, for a target-benefit plan, for the rules regarding the cap on the degree of solvency;

(d) if they apply to the member, the rules provided for in sections 144 to 145.1 of the Act;

(e) except for a target-benefit plan, the rules provided for in section 146 of the Act with regard to the payment of the balance of the value of the member's benefits or, where applicable, a mention of the rules determined by the plan;

(9.1) in the case of a target-benefit plan, a mention that if the member's benefits are maintained in the plan, those benefits and their value are subject to variations based on the financial position of the plan;"

(7) by inserting "where applicable," at the beginning of paragraph 11.

#### **42.** Section 59 is amended

(1) by replacing "paragraphs 1 to 6" in subparagraph 1 of the first paragraph by "paragraphs 1 to 6 and 15.1";

(2) in subparagraph 2 of the first paragraph

(a) by replacing subparagraph *b* by the following:

"(b) if a bridging benefit is paid to the non-active member, the amount and the date on which it will cease to be paid;"

(b) by replacing subparagraph *c* by the following:

"(c) if the pension was replaced in whole or in part by a temporary pension, the amount of the pension and the date on which it will cease to be paid;"

(3) by replacing subparagraph 3 of the first paragraph by the following:

"(3) where a member has begun receiving a disability benefit,

(a) in the case of a pension, the information referred to in subparagraphs *a* and *c* of subparagraph 2;

(b) in the case of a series of payments referred to in subparagraph 4 of the first paragraph of section 93 of the Act, the amount and the date of each expected payment;

(c) in the case of a benefit increased by reason of the termination of a disability pension payable under the Act respecting the Québec Pension Plan (chapter R-9) when the member reaches 65 years of age, the date on which the increase begins and its amount;"

(4) in subparagraph 4 of the first paragraph

(a) by replacing subparagraph *d* by the following:

"(d) the information referred to in subparagraphs 10 and 12 of the first paragraph of section 57, but only regarding the amounts accrued since the member joined the plan;"

(b) by replacing "and the amount of the additional voluntary contributions, with, in each case, accrued interest" in subparagraph *e* by "with accrued interest";

(c) by inserting the following after subparagraph *h*:

"(i) the rules applicable to the transfer of the member's benefits to another pension plan;"

(5) by replacing "a mention of the rules provided for under sections 143 to 146 of the Act or set out in the plan text with regard to the payment of the balance of the benefits" in subparagraph 5 of the first paragraph by "a mention of the rules provided for in section 146 of the Act or in the plan with regard to the payment of the balance of the benefits, the amount of that balance";

(6) by replacing subparagraphs 1 to 3 of the second paragraph by the following:

"(1) the information indicated in subparagraphs 1 to 1.4, 2.1 and 3 of the second paragraph of section 57;

(2) the latest date on which the member will be able to exercise his or her right of transfer;

(3) the most recent degree of solvency determined at the date of the statement."

#### **43.** Section 59.0.1 is amended

(1) by replacing "paragraphs 2 to 5" in paragraph 2 by "subparagraphs 2 to 5 and 15.1";

(2) by adding "and, in the case of a temporary pension benefit, the date on which the benefit will cease to be paid" after "paid" at the end of paragraph 3;

(3) by striking out paragraph 5.

**44.** Section 59.0.2 is amended

(1) in the first paragraph

(a) by replacing subparagraph 2 by the following:

“(2) the maximum amount of the surplus assets determined in accordance with section 146.7 of the Act, at the date of the most recent actuarial valuation of the plan, and a description of the procedure for appropriating the surplus assets prescribed by the plan;”;

(b) by inserting “, or member contributions in the case of a target-benefit plan,” after “service contributions and amortization payments” in paragraph 4;

(2) by inserting the following after the first paragraph of section 59.0.2:

“If the statement is sent to a member or beneficiary of a target-benefit plan, that part must contain, in addition to the information referred to in subparagraphs 1, 1.1, 3 and 4 of the first paragraph,

(1) a description of what a target-benefit plan is, including the fact that the benefits may be reduced in the event of insufficient contributions;

(2) a description of the risks incurred by the members and beneficiaries and of the means taken to manage those risks;

(3) a description of the benefit target;

(4) a description of the circumstances, set by the plan, giving rise to the application of recovery measures, the restoration of benefits and the appropriation of surplus assets;

(5) a description of any adjustment to the benefits and contributions that applied during the fiscal year covered by the statement,

(a) following the application of recovery measures or the restoration of benefits;

(b) following the appropriation of surplus assets, by indicating, where applicable, the portion of surplus assets used in accordance with section 146.9.1.3 of the Act and how they were appropriated;

(6) a description of any adjustment to the benefits and contributions that is provided for in an actuarial valuation on the date of the end of the fiscal year covered by the statement and whose report was sent to Retraite Québec and that results from

(a) the application of recovery measures or the restoration of benefits;

(b) the appropriation of surplus assets, by indicating the maximum amount that may be used, determined in accordance with section 146.9.1.2 of the Act, as well as the amount used and the appropriating procedure applicable in accordance with section 146.9.1.3 of the Act.”

**45.** The following is inserted after section 59.1:

“§3. *Consultation of documents*”.

**46.** Section 60.8 is amended in the third paragraph by replacing the line in the table regarding the Dominion Bond Rating Service rating agency by the following line:

“Dominion Bond Rating Service BBB- R-2 (low)”.

**47.** Section 60.10 is amended by adding the following at the end:

“In the case of a target-benefit plan, the liabilities of the plan are determined before the application of any recovery measure, the restoration of benefits or the appropriation of surplus assets provided for in the actuarial valuation. In addition, the value of the additional obligations resulting from any amendment considered for the first time at the date of the actuarial valuation of the plan must not be taken into account.”

**48.** Section 61.0.11 is amended

(1) by replacing subparagraph *a* of paragraph 3 by the following:

“(a) the number of transactions for annuities purchased and the premium required by the insurer for each transaction;”;

(2) by adding the following paragraph at the end:

“(4) in the case of a target-benefit plan,

(a) a description of what a target-benefit plan is, including the fact that the benefits may be reduced in the event of insufficient contributions;

(b) the adjustments to benefits and changes to the contributions or to benefit targets that have been applied since the last annual meeting and those the application of which is provided for in an actuarial valuation report sent to Retraite Québec after the date of that meeting.”

**49.** The following is inserted after the heading of Division VIII:

“§1. *Withdrawal of an employer*”.

**50.** Section 62 is amended in the first paragraph

(1) by replacing “provided for in the second paragraph” in the introductory part by “related to the withdrawal of an employer that is referred to in the second paragraph”;

(2) by adding “, determined, except for a target-benefit plan, considering only the value of the benefits of the members and beneficiaries not affected by the withdrawal and the assets allocated to them” at the end of subparagraph 9 of the first paragraph.

**51.** The following heading is inserted after section 62:

“§2. *Termination of the plan*”.

**52.** Section 63 is amended

(1) by replacing “by the employer and” by “by the employer, in Schedule II.1 where the termination follows the notice of the person or body empowered to amend the plan or”;

(2) by replacing the second sentence by the following: “The notice of termination must be enclosed with the declaration referred to in Schedule II or II.1.”.

**53.** Section 64 is amended

(1) by inserting “and, in the case of a target-benefit plan, in section 146.89 of the Act” after “212.1 of the Act” in subparagraph 8 of the first paragraph;

(2) by adding “, which applies, regarding a target-benefit plan, taking into account paragraph 1 of section 146.96 and section 146.98 of the Act” at the end of the second paragraph;

(3) by adding the following paragraph at the end:

“The provisions of subparagraphs 5, 7, 8.1 to 8.4, 10 and 11 of the first paragraph do not apply to a target-benefit plan.”.

**54.** Section 65 is amended

(1) by replacing “paragraphs 3 to 10” in paragraph 1 by “paragraphs 2 to 10”;

(2) by inserting “, the information, in the case of a plan other than a target-benefit plan, that must be indicated” after “in the termination report” in paragraph 2;

(3) by inserting “except for a target-benefit plan,” at the beginning of paragraphs 3, 4 and 5;

(4) by adding the following paragraphs at the end:

“The statement for a member or beneficiary under a target-benefit plan must also include

(1) where applicable, the value of the member’s benefits that corresponds to the amount allocated to the member pursuant to the second paragraph of section 146.98 of the Act;

(2) if the member’s or beneficiary’s annuity is in payment at the termination date:

(a) an estimate of the annuity that could be purchased from an insurer and a mention that the purchased annuity could differ;

(b) the applicable payment method in accordance with the second paragraph of section 146.95 of the Act if the member or beneficiary does not provide his or her choices to the pension committee.

The estimate referred to in subparagraph *a* of subparagraph 2 of the second paragraph must be calculated based on the premium established using the assumptions for hypothetical wind-up and solvency valuations established by the Canadian Institute of Actuaries as they apply on the date on which the statement was prepared, increased by a margin that allows for any possible variation in the cost of purchasing the annuity between that date and the probable date of payment.”.

**55.** The following subdivision is inserted after section 65:

“§3. *Special provisions related to negotiated contribution multi-employer plans*

**66.** The provisions of this subdivision apply in the event of the withdrawal of an employer that is a party to a negotiated contribution multi-employer plan or in the event of the termination of such a plan where, on the date of withdrawal of an employer or the plan’s termination date, the assets do not permit payment in full of the benefits of the members and beneficiaries affected by the withdrawal of the employer or the termination of the plan.

**67.** As of the date of withdrawal of an employer or termination of the plan, no pension of a member or beneficiary affected by the withdrawal or termination can be guaranteed by an insurer unless it is for the payment of the member's or beneficiary's pension in accordance with the provisions of this subdivision.

**67.1.** If, under the scenario used by the actuary in charge of preparing the withdrawal or termination report, guaranteed benefits of certain members or beneficiaries cannot be used as provided for in section 67.3.11 and section 240 of the Act to guarantee the non-guaranteed benefits of other members or beneficiaries, the plan's assets must include the commuted value of the guaranteed benefits determined in the contract or, in the absence of such a value, their fair market value determined on the basis of reasonable assumptions and cancellation fees.

**67.2.** To determine the plan's liabilities pursuant to section 212.1 of the Act, the value of the pension that must be insured under section 237 of the Act is determined by discounting, at the date referred to in the first paragraph of section 212.1 of the Act and according to a rate that is the estimated rate of return of the pension fund since that date until the date on which the report was prepared, the premium established on that latter date using the assumptions for hypothetical wind-up and solvency valuations established by the Canadian Institute of Actuaries as they apply on the date on which the report was prepared, increased by a margin that allows for any possible variation in the cost of purchasing the annuity between that date and the probable date of payment.

The liabilities must also comprise the value of the pension amounts paid out of the pension fund to a member or beneficiary between the date referred to in the first paragraph of section 212.1 of the Act and the date on which the report was prepared, such value being determined according to the rate referred to in the first paragraph.

If the pension was insured before the date referred to in the first paragraph of section 212.1 of the Act, its value is determined by using the premium established on that date on the basis of the assumptions for hypothetical wind-up and solvency valuations established by the Canadian Institute of Actuaries as they apply on the date on which the report was prepared.

**67.3.** The notice concerning the withdrawal of an employer, provided for in section 200 of the Act, must specify that the members and beneficiaries to whom paragraph 3 of that section applies may, in the event of insufficient assets referred to in section 66, request to have their benefits transferred to a pension plan referred to in section 98 of the Act and, failing such a request, their benefits will be paid in accordance with that paragraph.

**67.3.1.** The withdrawal report referred to in the second paragraph of section 202 of the Act must contain, in addition to the information required by section 62, a description of the method to be used at the time the benefits are paid to take into account any variations in the plan's assets and liabilities between the date of the withdrawal and the date of payment.

**67.3.2.** The pension committee must send each member or beneficiary affected by the withdrawal of the employer a statement of benefits and their value, along with the necessary information so that their choices and options may be exercised.

The time allotted for the members or beneficiaries to inform the pension committee of their choices and options expires on the 90th day following *Retraite Québec's* authorization of the amendment regarding the employer's withdrawal.

The pension committee must send the statements in a timely manner so as to allow the members and beneficiaries at least 45 days to make choices, exercise options and present observations, if any, to the pension committee.

**67.3.3.** The statement of benefits referred to in section 67.3.2 must also contain the following information:

(1) the ratio between the value of the assets reduced by the amount of the administration expenses of the pension fund allocated to the group of members and beneficiaries affected by the withdrawal and the value of the liabilities related to that group established as at the date of the withdrawal;

(2) the portion of the assets that is allocated to the group of members and beneficiaries affected by the withdrawal along with the amount of the reduction in benefits that the member or beneficiary would sustain if the unpaid contributions were not collected;

(3) the choices provided for in paragraph 3 or 4 of section 200 of the Act that apply to the member or beneficiary and the information, for each member or beneficiary to whom a pension is being paid on the date of the withdrawal, that he or she may request that his or her benefits be transferred to a pension plan referred to in section 98 of the Act;

(4) the expiry date of the time period, set out in the second paragraph of section 67.3.2, within which the members or beneficiaries must indicate their choices, exercise their options and present observations, if any, to the pension committee;

(5) the mention that, where the member or beneficiary to whom a pension is being paid on the date of the withdrawal fails to request that his or her benefits be transferred to a pension plan referred to in section 98 of the Act within the time allotted, his or her benefits will be paid by means of a pension paid by an insurer chosen by the pension committee;

(6) the information referred to in paragraphs 3 to 8, subparagraphs *a* and *b* of paragraph 9 and paragraph 10 of section 58, prepared or updated to the withdrawal date;

(7) the information referred to in subparagraph 10 of the first paragraph of section 62, prepared with respect to the withdrawing employer.

The statement must also mention that the withdrawal report and the data used to determine the member's or beneficiary's benefits or their value may be consulted without charge at the office of the pension committee or at the employer's establishment designated by the committee, whichever location is closer to the applicant's residence.

If it is for a member or beneficiary to whom a pension is being paid, the statement must also indicate the estimated amount of the pension reduced to take into account insufficient assets.

**67.3.4.** The payment, provided for in section 209.1 of the Act, of the benefits of each member and beneficiary affected by the withdrawal of the employer must be made in accordance with the provisions of section 67.3.9.

**67.3.5.** The termination report referred to in the first paragraph of section 207.2 of the Act must contain, in addition to the information required by section 64, a description of the method to be used at the time the benefits are paid to take into account any variations in the plan's assets and liabilities between the termination date and the date of payment.

**67.3.6.** The statement of benefits in the event of termination, referred to in section 207.3 of the Act, must be sent at least 30 days after the date on which Retraite Québec has received the termination report or, where applicable, the revised report, or the date referred to in section 240.4 of the Act.

**67.3.7.** The statement of benefits must include the following adjustments:

(1) the payment methods that must be indicated in accordance with subparagraph 1 of the first paragraph of section 207.3 of the Act must include, for each member or beneficiary to whom a pension is being paid on the

termination date, the possibility of having his or her benefits transferred to a pension plan referred to in section 98 of the Act;

(2) the expiry date of the time period set out in the third paragraph must be indicated instead of the expiry date of the time limit set out in subparagraph 4 of the first paragraph of section 207.3 of the Act;

(3) the mention that, where the member or beneficiary to whom a pension is being paid on the termination date fails to request that his or her benefits be transferred to a pension plan referred to in section 98 of the Act within the time allotted, his or her benefits will be paid by means of an annuity paid by an insurer chosen by the pension committee.

If it is for a member or beneficiary to whom a pension is being paid, the statement must also indicate the estimated amount of the pension reduced to take into account insufficient assets.

The time allotted to a member or beneficiary to provide his or her choices and options to the pension committee expires on the 90th day following the expiry of the 30-day period referred to in section 67.3.6.

In addition, the pension committee must send the statements in a timely manner so as to allow the members and beneficiaries at least 45 days to make choices, exercise options and present observations, if any, to the pension committee.

**67.3.8.** The payment, referred to in the first paragraph of section 210 of the Act, of benefits of members and beneficiaries affected by the termination must be made in accordance with the provisions of section 67.3.9.

**67.3.9.** For payment purposes, the premium that the pension committee must use to determine the value of the benefits of the members and beneficiaries to whom a pension was being paid on the date of the withdrawal or termination is the premium determined using the assumptions for hypothetical wind-up and solvency valuations established by the Canadian Institute of Actuaries as they apply at the date of the calculation.

Despite the foregoing, to determine the value of the non-guaranteed benefits of a member or beneficiary who has requested that his or her pension be guaranteed by an insurer, the premium to be used is the premium provided by the insurer to guarantee the benefits.

The value of the benefits of the members and beneficiaries must be calculated within 7 days of the first day of the month that follows the expiry of a time period



that is not more than 40 days after the deadline given to the members and beneficiaries to indicate their choices and options.

The day after the value of the benefits of the members and beneficiaries is established, the pension committee must proceed to pay the benefits in accordance with the Act and with the withdrawal or termination report and, where applicable, taking into account any adjustments provided for in this subdivision.

**67.3.10.** Where a member or beneficiary whose pension has been guaranteed opts to have his or her benefits transferred to a pension plan referred to in section 98 of the Act, the insurer must, at the request of the pension committee, allocate the guarantee to non-guaranteed benefits of other members or beneficiaries or, if the insurer is unable to make such an allocation, pay into the pension fund the commuted value of the guaranteed pension at the date the benefits are transferred or, where the contract does not provide for a commuted value, the fair market value of the guaranteed pension determined on the basis of reasonable assumptions and cancellation fees.

The value of the guaranteed pension to be transferred by the pension committee to the pension plan specified by the member or beneficiary must be equal to the value of the pension to which the member or beneficiary is entitled, reduced to take into account insufficient assets. That value is determined in accordance with the provisions of section 67.3.9.

**67.3.11.** Within 15 days of the payment of benefits, the pension committee must provide Retraite Québec with a report, prepared by an actuary, on the payment of the benefits of the members and beneficiaries affected by the withdrawal or termination. The report must contain

- (1) the plan's assets at the date of payment;
- (2) the benefits and refunds paid to each member or beneficiary at the date of payment and the payment percentage of the benefits of each member or beneficiary at that date;
- (3) a reconciliation of the assets and liabilities between the date of withdrawal or termination and the payment of benefits including asset yield, asset increase through recovery of amounts owing and any variation in liabilities;
- (4) certification by the author of the report that the report was prepared in accordance with the provisions of the Act and of this Regulation.

#### **§4. Special provisions related to target-benefit plans**

**67.3.12.** Every time a mention of the amount of the normal pension or of another benefit, of the reduction of such a pension or benefit or of the value of benefits is required by a provision of this subdivision, that amount or value established according to the benefit target must be mentioned and, where applicable, the amount or value established by taking into account, regardless of its effective date, or any adjustment resulting from the application of recovery measures, of the restoration of benefits or the appropriation of a surplus assets that is provided for in an actuarial valuation report of the plan sent to Retraite Québec.

**67.3.13.** In the event of the withdrawal of an employer that is a party to a target-benefit plan, the statement referred to in section 146.91 of the Act must be sent to each member or beneficiary affected by the withdrawal within 60 days of the date on which the statement referred to in section 200 of the Act is sent. The members and beneficiaries must have at least 30 days to indicate their choices and exercise their options.

The statement must contain, in addition to the information required under section 146.91 of the Act,

- (1) the information referred to in paragraphs 2 to 10 of section 58 and, except if the statement concerns a non-active member for whom a pension is being paid or a beneficiary, in paragraph 1 of that section, determined or updated at the date of withdrawal;
- (2) a mention whether or not it is possible to maintain the beneficiary's benefits in the plan;
- (3) the period during which the member's or beneficiary's choices must be provided to the pension committee;
- (4) in the case of a member or beneficiary to whom a pension is being paid at the date of withdrawal, the estimate of the annuity that can be purchased from an insurer and a mention that the purchased annuity could differ.

The pension estimate is made based on the premium determined using the assumptions for the hypothetical wind-up and solvency valuations established by the Canadian Institute of Actuaries as they apply at the date on which the statement was prepared. The premium must be increased by a margin that allows for any possible variation in the cost of purchasing the annuity between that date and the probable date of payment.

**67.3.14.** If the plan does not allow the benefits of the members and beneficiaries to be maintained in the plan, the statement must also indicate

(1) if it concerns a non-active member for whom a pension is being paid at the date of withdrawal or a beneficiary,

(a) the payment methods provided for in subparagraph *a* of paragraph 2 of section 146.90 of the Act;

(b) that the benefits of the non-active member or beneficiary will be paid by the purchase of an annuity from an insurer selected by the pension committee if he or she does not provide another choice within the time period referred to in subparagraph 3 of the second paragraph of section 67.3.13;

(2) if it concerns any other member or beneficiary, that his or her benefits will be paid by means of a transfer to a plan referred to in section 98 of the Act.

**67.3.15.** If the plan provides that the benefits of the members and beneficiaries may be maintained in the plan, the statement must also indicate

(1) if it concerns a non-active member for whom a pension is being paid on the date of withdrawal or a beneficiary,

(a) the payment methods provided for in subparagraph *a* of paragraph 3 of section 146.90 of the Act;

(b) that the benefits of the non-active member or beneficiary will be maintained in the plan if he or she does not provide another choice within the time period referred to in subparagraph 3 of the second paragraph of section 67.3.13;

(2) if it concerns any other member or beneficiary,

(a) the payment methods provided for in subparagraph *b* of paragraph 2 of section 146.90 of the Act;

(b) that the benefits of the non-active member or beneficiary will be maintained in the plan if he or she does not provide another choice within the time period referred to in subparagraph 3 of the second paragraph of section 67.3.13;

(3) where applicable, a mention that the plan has an annuity purchasing policy.”

**56.** Section 67.5 is amended by replacing “pension benefits to which section 60 of the Act applies and” by “benefits under the plan”.

**57.** Section 67.6 is amended by replacing “benefits to which section 60 of the Act and” by “benefits under the plan”.

**58.** The following is inserted after section 67.6:

“**67.6.1.** In the case of a target-benefit plan, the additional pension referred to in section 84 of the Act and the pension referred to in section 105 of the Act that is purchased with amounts transferred, are determined on the basis of the assumptions and target level of the stabilization provision that, according to the most recent actuarial valuation of the plan whose report was sent to Retraite Québec, are used to determine the current service contribution.

#### **DIVISION VIII.1.1** DEGREE OF SOLVENCY

**67.6.2.** The pension plan which provides for the establishment of a degree of solvency according to intervals shorter than a fiscal year must indicate

(1) the interval according to which the degree of solvency must be calculated, which cannot be less than one month;

(2) if the calculation is carried out systematically or only where required under the Act.

Where applicable, an actuary must define the method which, taking into account the actual rate of return of the pension fund or, if the rate is unknown, the estimated rate of return of the pension fund and changes in interest rates determined on a solvency basis, allows to briefly determine the degree of solvency before the date of the next required actuarial valuation.

Any new interval covered by the plan applies as of the date on which the change occurs or on a later date.”

**59.** The following is inserted after section 67.8:

#### “**DIVISION VIII.4** PLAN CONVERSION

**§1.** *Conversion of a defined-contribution plan into a target-benefit plan*

**67.9.** The conversion of a defined-contribution plan into a target-benefit plan is subject to the consents required under section 146.55 of the Act.

During the conversion, only the benefits of members and beneficiaries under a defined contribution plan having consented to their conversion can be converted into target benefits.

**67.10.** Target benefits obtained by converting sums held under defined contribution provisions must be determined on the basis of the assumptions and the target level of the stabilization provision used to determine the current service contribution for the purposes of the actuarial valuation which considers the amendment concerning the conversion of the plan into a target-benefit plan.

**§2.** *Conversion of a negotiated contribution multi-employer plan into a target-benefit plan*

**67.11.** The members and beneficiaries affected by the amendment related to the conversion of a plan to which Chapter X.2 of the Act applies into a target-benefit plan must be consulted with regard to the recovery measures applicable in the event of insufficient contributions and to the conditions and procedure for applying them as well as to the conditions and procedure for restoring benefits and appropriating surplus assets set out in the expected target-benefit plan.

The provisions of section 146.35 of the Act apply, with the necessary modifications, to that consultation.

**67.12.** During the plan conversion, the normal pension and other benefits provided for in the plan, including the pensions being paid on the date of conversion, amended, where applicable, pursuant to section 146.44.2 of the Act, constitute the benefit target with regard to service accrued on the date of conversion.

**67.13.** The conversion may not become effective before the date on which the notice informing the members and beneficiaries is sent in accordance with the rules provided for in section 26 of the Act.

**§3.** *Conversion of a target-benefit plan into a defined-benefit plan*

**67.14.** All benefits under defined-benefit provisions must be restored, at the date of the actuarial valuation regarding the conversion of the plan, according to the conditions provided for in the plan text, in accordance with the rules set out under Division V of Chapter X.3 of the Act.

**67.15.** Surplus assets at the valuation date, if any, must be appropriated in accordance with the plan provisions.

If a surplus remains, it must be recorded as though it was an amount referred to in the second paragraph of section 42.2 of the Act.

**67.16.** The normal pension and other benefits resulting from the application of sections 67.14 and 67.15, where applicable, become defined benefits under the plan resulting from the conversion.”

**60.** The following is added after section 77.3:

“**77.4.** The provisions of sections 66 to 67.3.11 do not apply to a pension plan for which the notice referred to in section 200 or 204 of the Act was sent before 22 September 2021.”

**61.** Form 3 is amended

(1) by replacing “unless the undersigned notifies the originator, the administrator and Retraite Québec, by registered mail, not less than 90 days before the letter’s expiry that the letter will not be renewed” by “unless, at least 90 days before the expiry of the letter of credit, a notice of non-renewal is sent by registered mail to the undersigned, the originator, the administrator and Retraite Québec, by the person or body that decides not to renew the letter”;

(2) by striking out “prior to the expiry” in the first checkbox;

(3) by adding “or at the time the undersigned is notified of a notice of non-renewal” at the end of the second checkbox.

**62.** Schedule 0.2 is amended by replacing “defined benefit or defined benefit-defined contribution pension plans,” in subparagraph *b* of paragraph 1 of the declaration by “defined benefit or target-benefit pension plans”.

**63.** Schedule II is amended by striking out “as well as the members and beneficiaries affected” in paragraph 4 of the certificate.

**64.** The following is inserted after Schedule II:

“**SCHEDULE II.1**

(s. 63)

DECLARATION OF TERMINATION  
OF A PENSION PLAN THAT CANNOT BE  
TERMINATED UNILATERALLY BY AN  
EMPLOYER (FOLLOWING NOTICE GIVEN  
BY THE PERSON OR BODY EMPOWERED  
TO AMEND THE PLAN)

Name of the plan: \_\_\_\_\_

Number: \_\_\_\_\_

I, \_\_\_\_\_, being duly authorized to act as administrator or mandatary of the administrator of the plan mentioned above, declare that the plan is being terminated and that the date of its termination is \_\_\_\_\_.

I certify that:

(1) the termination follows a decision made by the person or body empowered to terminate the plan in accordance with the plan provisions;

(2) the decision to terminate the plan was communicated by means of a written notice, a copy of which is attached hereto, that, to the best of my knowledge, was sent to all the affected members and beneficiaries (that is, all the plan's members and beneficiaries whose benefits were not paid in full before the termination date and, if the termination resulted from a division, merger, disposal or closure of the enterprise or a part of the enterprise, all the members whose active membership ceased during the period between the date on which the members were informed of the event in question and the termination date), the accredited association representing the members, the pension committee and the insurer, if any;

(3) the notice referred to in paragraph 2 indicates the plan's termination date;

(4) the termination date mentioned above is not subsequent to the day preceding the day on which the benefits of the plan's last member or beneficiary were paid;

(5) to the best of my knowledge, the termination date (check, as appropriate, one of the following boxes):

is not prior to the date of the cessation of collection of member contributions nor the date preceding by 30 days the transmittal of the notice of termination to the active members;

is prior to the date of the cessation of collection of member contributions or the date preceding by 30 days the transmittal of the notice of termination to the active members, but each of the members whose active membership ended on the occasion of the termination or thereafter has consented in writing to the termination of the plan at the date mentioned above and the pension committee is able to produce those consents at the request of Retraite Québec;

(6) the pension committee received the written notice of termination on \_\_\_\_\_.

\_\_\_\_\_  
(signature)

\_\_\_\_\_  
(date)

Attachment: notice of termination.”.

TRANSITIONAL AND FINAL

**65.** The provisions of section 11 apply to any pension plan whose termination date is subsequent to 22 September 2021.

**66.** 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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