NATIONAL ASSEMBLY

FIRST SESSION THIRTY-FIFTH LEGISLATURE

Bill 194

An Act respecting the pension plan of the non-teaching staff of the Commission des écoles catholiques de Montréal

Introduction

Introduced by
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EXPLANATORY NOTES

The object of this bill is to improve certain provisions of the pension plan of the non-teaching staff of the Commission des écoles catholiques de Montréal, using the actuarial surplus and without causing any increase in employer or employee contributions.

Every member of the plan will be given an opportunity to choose between the indexing formula currently in force and a new, more advantageous indexing formula which nevertheless limits annual increases to a maximum of 4% and cannot exceed the rate determined by the Pension Index established under section 117 of the Act respecting the Québec Pension Plan.

The bill also allows active members until 31 December 1996 to retire with a full pension after 32 years of membership in the plan.

Lastly, the bill decreases the annual reduction applicable in the case of early retirement.

Under the bill, the pension committee will be authorized to use future actuarial surpluses, with the prior approval of the Government, to increase the pensions paid to members and to introduce temporary early retirement measures for periods not exceeding three years.

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THE PARLIAMENT OF QUÉBEC ENACTS AS FOLLOWS:

1. Notwithstanding section 125 of the Act respecting the Government and Public Employees Retirement Plan (R.S.Q., chapter R-10), the pension plan of the non-teaching staff of the Commission des écoles catholiques de Montréal may be amended to the extent provided for under this Act, without increasing the employee contributions, and any additional costs resulting from the amendments shall be paid out of the actuarial surplus of the plan.

2. An active or inactive member may, to replace the indexing of his pension under section 2 of the Act respecting the pension plan of the non-teaching staff of the Commission des écoles catholiques de Montréal (1991, chapter 81), give his consent in writing, within 180 days from the date of mailing, by the pension committee, of a request for consent in accordance with the provisions of the Supplemental Pension Plans Act (R.S.Q., chapter R-15.1), to the indexing of his pension pursuant to section 3 and, where applicable, to the adjustment of his pension pursuant to section 4.

3. Every pension paid or payable under the plan on 31 December each year shall be indexed each year on 1 January of the following year

(1) for that part of the pension that pertains to service prior to 1 July 1982, at the rate by which the rate of increase in the Pension Index determined under the Act respecting the Québec Pension Plan (R.S.Q., chapter R-9) exceeds one half of 1%;

(2) for that part of the pension that pertains to service subsequent to 30 June 1982, at the rate by which the said rate exceeds 3%.

However, in no case may the increase obtained under the first paragraph exceed 4% of the amount of the pension on 31 December of the preceding year.

4. In addition to the indexing under section 3, all pensions paid or payable on 31 December 1994 shall be adjusted on 1 January 1995 by performing the following operations in the following order:

(1) determining, for each year subsequent to 31 December 1973 in respect of which a pension was paid, an annual rate of increase

(*a*) equal, for that part of the pension that pertains to service prior to 1 July 1982, to the rate by which the rate of increase in the Pension Index determined under the Act respecting the Québec Pension Plan exceeds one half of 1%;

(*b*) equal, for that part of the pension that pertains to service subsequent to 30 June 1982, to the rate by which the said rate exceeds 3%;

(*c*) and that does not result in an increase that exceeds 2% of the amount of the pension on 31 December of the preceding year;

(2) compounding annually the rates of increase determined under subparagraph 1 and reducing the resulting cumulative rate by the rate of indexing obtained under section 2 of the Act respecting the pension plan of the non-teaching staff of the Commission des écoles catholiques de Montréal (1991, chapter 81);

(3) reducing the amount of the adjustment, obtained by multiplying the amount of the pension on 31 December 1994 by the adjustment percentage obtained under subparagraph 2, by the amount of the pension adjustment obtained under section 2 of the Act respecting the pension plan of the non-teaching staff of the Commission des écoles catholiques de Montréal (1988, chapter 83). For the purposes of adjusting a pension granted to a surviving spouse, the amount of the said adjustment shall be adjusted on the basis of the percentage used in computing the pension where the amount of adjustment has not been granted in respect of the pension;

(4) the amount of the adjustment obtained under subparagraph 3 shall not be less than

(*a*) $500 for members who retired before 1 January 1974;

(*b*) $400 for members who retired during 1974;

(*c*) $300 for members who retired during 1975;

(*d*) $200 for members who retired during 1976;

(*e*) $100 for members who retired during 1977.

Subparagraph 4 of the first paragraph applies both with respect to a pension to the surviving spouse of a member who retired before 1 January 1978 and with respect to a pension granted to the surviving spouse of a member who died during employment before that date and, for the purposes of the said subparagraph, the latter member is deemed to have retired on the date of his death. However, the amounts referred to in the said subparagraph shall be reduced by the percentage used to compute the surviving spouse's pension.

No adjustment of an annual pension obtained under the first and second paragraphs may entail a decrease in the annual pension acquired on 31 December 1994.

5. An active member 55 years of age or over who retires after (*insert here the date preceding the date on which this Act is assented to*) may apply for the payment of an early retirement pension. The pension payable shall, however, be reduced by one third of 1% for each month comprised between the date on which it commences and the earliest of the following dates:

(1) the first day of the month following the member's sixtieth birthday;

(2) the first day of the month following the date on which the member would have completed 35 years of membership had he remained an employee of the Commission des écoles catholiques de Montréal.

6. Every active member with at least 32 years of membership is entitled, from his first day of retirement, to an early retirement pension at least equal to the normal pension credited to him at that time, with no reduction.

The first paragraph applies to every active member who retired between 1 July 1990 and 30 June 1993 or who retires between 18 March 1994 and 31 December 1996.

7. The pension committee may, after determining a sufficient reserve to provide for the various risks covered by the plan and with the agreement of the Commission des écoles catholiques de Montréal, use any actuarial surplus, as determined in the actuarial valuation required under the Supplemental Pension Plans Act, in the following manner:

(1) to index the pension of all active and non-active members without exceeding the lesser of

(*a*) the rate of increase in the Pension Index established under the Act respecting the Québec Pension Plan, and

(*b*) 4% per year;

(2) to implement the measure provided in section 6 or any other early retirement measure for any period not exceeding three years;

(3) to render the provisions of the plan consistent with the Supplemental Pension Plans Act and the Income Tax Act (Statutes of Canada).

However, such measures must receive the prior authorization of the Government and an actuarial valuation of the plan must show that a sufficient surplus exists to cover the entire cost of the measures.

8. This Act comes into force on (*insert here the date of assent to this Act*) except sections 3 and 4, which will come into force on 1 January 1995.