



NATIONAL ASSEMBLY

SECOND SESSION

THIRTY-FOURTH LEGISLATURE

Bill 31

**An Act respecting the pension plan of
certain employees of the Centre hospitalier
de l'Université Laval and the pension plan of
certain employees of the Commission des
écoles catholiques de Québec**

Introduction

**Introduced by
Mr Daniel Johnson
Minister for Administration and the Public Service and
Chairman of the Conseil du trésor**

**Québec Official Publisher
1992**

EXPLANATORY NOTES

This bill amends the pension plan of certain employees of the Centre hospitalier de l'Université Laval and the pension plan of certain employees of the Commission des écoles catholiques de Québec in order to introduce the notion of minimum pension benefits and to modify, in compliance with the Supplemental Pension Plans Act, certain benefits which are payable in the event of death before or after retirement.

In the case of the pension plan of certain employees of the Centre hospitalier de l'Université Laval, the bill also provides for pensions payable for the period extending from 1 January 1991 to 31 December 1993 to be indexed by the percentage of the increase in the Pension Index determined by the Act respecting the Québec Pension Plan that exceeds 3 %. In addition, the pensions will be adjusted annually, with the authorization of the Commission administrative des régimes de retraite et d'assurances, for one or several years by the same rate if an actuarial valuation of the plan shows the existence of a surplus sufficient to cover the total cost.

In the case of the pension plan of certain employees of the Commission des écoles catholiques de Québec, the bill also provides for a decrease in the rate of contribution from 7.50 % to 7.25 %, the replacement, in computing the amount of the early retirement pension, of the actuarial equivalent by a 0.5 % reduction per month for each month between the date on which the early retirement pension is granted and the normal retirement date and, finally, the introduction of the right to retirement without reduction from the age of 62 or after 32 years of service if the member retires between 1 January 1990 and 30 June 1993. Furthermore, such measure will, with the authorization of the Commission administrative des régimes de retraite et d'assurances, be extended for periods not exceeding three years if an actuarial valuation of the plan shows the existence of a surplus sufficient to cover the total cost.

Finally, the bill provides that all additional costs generated by the proposed amendments will be paid out of the actuarial surplus

*ach plan and will entail no increase in member contributions or
ployer contributions.*

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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 amendments made by this Act to the pension plan of certain employees of the Centre hospitalier de l'Université Laval and the pension plan of certain employees of the Commission des écoles catholiques de Québec may be made without increasing the member contributions and the additional costs resulting therefrom shall be paid out of the actuarial surplus of each plan.

2. The member contributions paid by a member, including accrued interest, shall not be used to pay more than 50 % of the value

(1) of any pension benefit to which the member becomes entitled, including benefits derived therefrom;

(2) of any pension benefit to which a beneficiary becomes entitled, if the member dies before becoming entitled to a pension.

3. Section 2 does not apply to a pension benefit acquired by a member or beneficiary in respect of service credited under the plan for a period of employment prior to 1 January 1990.

4. If a member dies before receiving any refund or pension benefit, his spouse or, if there is no spouse, his assigns are entitled to a single payment equal to or greater than

(1) the value of any pension to which the member was entitled before his death;

(2) if the member was not entitled to a pension before his death, the value of the deferred pension to which he would have been entitled had he ceased to be an active member on the day of his death, for a reason other than his death;

(3) if the member was not entitled to a pension before his death or if, under the circumstances described in subparagraph 2, he would not have been entitled to a pension, the member contributions and additional contributions paid by the member, with accrued interest.

Any additional contributions credited to the account of the member and any member contributions paid in excess of the limit set by section 2, with accrued interest, must be added to the values referred to in subparagraphs 1 and 2 of the first paragraph. Furthermore, the values shall be established without reference to the assumptions as to survival or mortality for the period prior to the first payment of the pension.

5. The spouse of a member is entitled to a pension from the death of the member if, before his death, the member was receiving a pension. The spouse may, before the date on which payment of the member's pension begins, waive such entitlement or revoke such a waiver, provided the pension committee is notified thereof in writing before that date.

The amount of the spouse's pension must be equal to or greater than 60 % of the amount of the member's pension.

The sum of the pension provided for the spouse and the member's pension, reduced accordingly, must, on the date on which payment of the pension begins, be at least actuarially equivalent to the pension the member would have received had it not been for the spouse's entitlement under this section.

6. If a member whose pension was postponed in whole or in part dies during the postponement period, the member's spouse shall, unless the spouse waived such entitlement, be entitled to a pension the value of which must be equal to or greater than the greater of

(1) the value of the pension he could have received pursuant to section 5 if payment of the postponed pension had begun on the day preceding the death of the member; and

(2) the value of the death benefit he could have received as beneficiary pursuant to section 4 under the postponed pension.

7. All pensions payable under the pension plan of certain employees of the Centre hospitalier de l'Université Laval shall, at the time prescribed under section 119 of the Act respecting the Québec Pension Plan (R.S.Q., chapter R-9), be indexed, for the period extending from 1 January 1991 to 31 December 1993, by the percentage of the increase in the Pension Index determined by the said Act that exceeds 3 %.

The pensions may, with the authorization of the Commission, be indexed annually for one or several years by the same percentage if an actuarial valuation of the plan shows the existence of an actuarial surplus sufficient to cover the total cost.

8. The member contribution of a member of the pension plan of certain employees of the Commission des écoles catholiques de Québec shall be equal to 7.25 % of his salary up to the basic exemption within the meaning of the Act respecting the Québec Pension Plan, 5.45 % of that part of his salary which exceeds the basic exemption up to the Maximum Pensionable Earnings within the meaning of the said Act and 7.25 % of that part of his salary which exceeds the Maximum Pensionable Earnings.

9. Every member of the pension plan of certain employees of the Commission des écoles catholiques de Québec is entitled to early retirement from any date preceding the normal retirement date by not more than ten years. The amount of the early retirement pension shall be reduced, for its duration, by 0.5 % per month, computed for each month between the date on which the early retirement pension is granted and the normal retirement date.

10. Every member of the pension plan of certain employees of the Commission des écoles catholiques de Québec who is sixty-two years of age or over or has thirty-two years of service or more is entitled to an early retirement pension equal to the normal retirement pension credited at that time, without reduction, from the first day of the month following the month in which his employment ceased.

This section applies to every active member who retires within the period extending from 1 January 1990 to 30 June 1993. Such measure may, with the authorization of the Commission, be extended for one or several periods not exceeding three years if an actuarial valuation of the plan shows the existence of a surplus sufficient to cover the total cost.

11. Sections 1 to 6 and 8 to 10 have effect from 1 January 1990.

12. This Act comes into force on (*insert here the date of assent to this Act*).